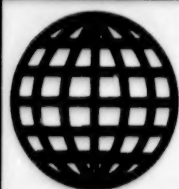


JPRS-EER-91-002  
9 JANUARY 1991



**FOREIGN  
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# ***JPRS Report***

## **East Europe**

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# East Europe

JPRS-EER-91-002

## CONTENTS

9 January 1991

### POLITICAL

#### INTERNATIONAL AFFAIRS

- Calfa Discusses Agenda for Meeting With Kohl [*Duesseldorf HANDELSBLATT* 28 Nov] ..... 1

#### ALBANIA

- Yugoslav Correspondent's Notes From Albania [*Belgrade BORBA* 3-4, 5, 6, 10-11 Nov] ..... 2

#### BULGARIA

- Ecoglasnost Chairman Slabakov Interviewed [*IKONOMIKA Sep*] ..... 9  
 Zhelev's Philosophical Ideas, Experiences Discussed [*VEK* 21, 17 Oct] ..... 10  
 Opinion Poll of Intellectuals on Political Personalities [*DEBATI* 16 Oct] ..... 13

#### HUNGARY

- Paper's Ownership Change Complete: 40 Percent French [*MAGYAR NEMZET* 1 Dec] ..... 15  
 State Secretary on Foreign Relations, Goncz [*BESZELO* 24 Nov] ..... 18  
 Law Governing Depoliticized Police Outlined [*MAGYAR HIRLAP* 4 Dec] ..... 20  
 Jewish Groups on Restitution for Nazi Injustices [*MAGYAR NEMZET* 28 Nov] ..... 21  
 Briefing on Reprivatization, Local Authority [*MAGYAR NEMZET* 1 Dec] ..... 22

#### POLAND

- POLITYKA Weekly News Roundup: 18-24 Nov [*POLITYKA* 24 Nov] ..... 23  
 POLITYKA Weekly News Roundup: 25 Nov-1 Dec [*POLITYKA* 1 Dec] ..... 24

#### YUGOSLAVIA

- Grievances of Ethnic Serb Police in Croatia [*POLITIKA* 10 Nov] ..... 26  
 Croatian Deputy Internal Minister Termed 'Special Tasks Man' [*DANAS* 6 Nov] ..... 27  
 Croatian War Veterans' Association Founded [*POLITIKA* 10 Nov] ..... 29

### MILITARY

#### HUNGARY

- Military Justice Administration To Be Reorganized [*NEPSZABADSAG* 10 Nov] ..... 31

### ECONOMIC

#### HUNGARY

- Activities of Dunaholding Analyzed [*HETI VILAGGAZDASAG* 27 Oct] ..... 32  
 Agreement on Trade Rules, 1991 Schedules [*NEPSZABADSAG* 24 Nov] ..... 33  
 Soviets, Mercedes Benz Include Ikarus in Program [*NEPSZABADSAG* 19 Nov] ..... 34  
 New Approach to Economic Recovery Advanced [*MAGYARORSZAG* 30 Nov] ..... 34  
 Credit Terms With Sale of State Property [*FIGYELO* 15 Nov] ..... 36  
 Privatization: MDF Group Disagrees With Cabinet [*FIGYELO* 22 Nov] ..... 37

**SOCIAL**

**BULGARIA**

Education Minister Discusses Reforms [DUMA 16 Oct] .....	40
--	----

**HUNGARY**

Conflict Between Jews, Non-Jews Discussed [HITEL 14 Nov] .....	41
Head of Rabbinical Institute on Progress Made [REFORM 23 Nov] .....	44

## INTERNATIONAL AFFAIRS

### Calfa Discusses Agenda for Meeting With Kohl

91GE0091A Duesseldorf *HANDELSBLATT* in German  
28 Nov 90 p 3

[Report by Klaus C. Engelen on interview with Czech Premier Marian Calfa; Prague, 27 November: "Premier Calfa Wants To Bring Up the Topic of Reparations in Bonn"]

[Text] In the negotiations on a treaty concerning good neighborliness and cooperation between the CSFR and the FRG, Czechoslovakia wants to bring up demands for reparations. Premier Calfa stated in an interview with *HANDELSBLATT*.

Calfa thus reacted to demands for indemnification of the Sudeten Germans. But he agrees with the opinion of Federal Chancellor Helmut Kohl that reparations can be discussed only on governmental level. According to Calfa it will not be possible to avoid "settling the past going back as far as to Munich." All questions "that have to do with the very painful history of the Sudeten Germans" are "indeed a delicate topic, thus above all the property questions." However, only a "basic philosophy" was to be set down in the "big treaty" on this as well as the other problem complexes.

Accompanied by several departmental ministers of the Prague government, of the Czech Republic and of the Slovak Republic, Calfa will meet with Federal Chancellor Kohl in Bonn on Thursday and will solicit investments from the FRG before the East Committee of German Industry in Cologne. It is the first official visit of the Prague government chief to Bonn.

Three complexes of problems—overcoming the past, creation of new foundations for a comprehensive and close bilateral cooperation, as well as German support for the inclusion of the CSFR in European integration—are to be embedded in the "big treaty" which, according to the thinking of the Bonn chancellor, "is to be signed and sealed by Easter next year."

Calfa: "It would be ideal if we succeeded in really making a clean break with the past. But, on the one side, there are certain ideas about talks on reparations in the Czechoslovak foreign ministry. The German side makes new demands as far as the Sudeten Germans are concerned. We would like to talk about these matters with the German government. That is to say, we should conduct talks in this respect only on an official level. The demands for reparations from the Czechoslovak side must also be discussed."

### Support for Political Integration

The "big treaty" in Calfa's opinion should also provide for follow-on regulations of the relations between Czechoslovakia and the former GDR. For example, it is

important to find interim solutions for the close economic interrelationship with the East German economy. Thus the former GDR delivered 95 percent of the harvester threshers used in the CSFR and a large part of other agricultural machines. Finally Calfa would like to embed in the treaty Germany's assistance in Czechoslovakia's incorporation into the international system of political and economic cooperation. This involves not only assistance for integration in the field of economic organizations but also "membership in the Council of Europe and the question of possible cooperation with NATO."

The emerging close cooperation of Germany with the Soviet Union also raises new questions for Czechoslovakia because "we stand in between." According to Calfa "there is a great block of questions in the solution of which Germany can help Czechoslovakia to a considerable extent by its great economic strength and its great political weight."

But to start with and separately the Prague government chief would like to see the question settled of possible compensations by the united Germany for direct losses suffered by the CSFR as a result of the German currency and economic union with the former GDR. Here Prague can prove concrete losses in trade and tourism in the amount of 500 million transfer rubles for this year alone. The Prague government chief left open the question of the rate of exchange to be used for the transfer rubles. He said further losses are indicated in the next two years of the transition. "I think it would be better if we were to cooperate more in production for we need no money. We need production and jobs," Calfa stressed.

### Praise for German Enterprises

Under this aspect there could be conversations, e.g., about the participation of Czechoslovak companies and manpower in the construction of dwellings for returning Soviet units. But Soviet agencies—in contrast to Bonn—did not show any interest in this respect. Therefore tripartite talks have to be held in this matter.

Without fully committing itself to the prospects of the Volkswagen conglomerate in the race for the Skoda Works—here the Prague government lately is again entrenched behind the argument that the final decision will be made by the republics—the Prague government chief did not hold back his praise for German entrepreneurs. German entrepreneurs are up front in the CSFR. "Germans know our mentality and know that there are good production enterprises in the CSFR. They lead the way in the manner entrepreneurs should lead the way."

Calfa emphasized that he has no fears as far as the participation of foreign capital in Czechoslovak enterprises is concerned. Calfa: "I do not accept at all the talk about the sell-out of Czechoslovak property. In my opinion, there are two basic conditions for market economy restructuring, namely the inflow of foreign private capital and a package of capital aid of international financial institutions." But, in general, foreign



capital and know-how—since they require consistent internal economic reforms—are to be regarded as help for self-help. Calfa is not afraid either of a "Germanization" of the Czechoslovak economy which is dependent on foreign investments for market economy restructuring.

The privatization program developed by Finance Minister Vaclav Klaus with the distribution of shares, according to Calfa, in the first place is to be regarded as a "domestic policy flanking measure" with the aim "of giving something back to the people of what was taken away from them." The shares in state enterprises distributed to the people or sold to them at a favorable price have hardly any substantial importance as financing instrument for the procurement of capital and for putting the enterprises back on their feet. "After all, in Czechoslovakia just short of 300 billion korunas are in savings accounts as against an estimated value of the property of the state of 2 trillion korunas," according to Calfa.

Calfa countered as follows the criticism that the Prague government under his leadership is progressing only at snail's pace and that too many professors are experimenting with economic policy: "Even the former FRG, despite massive foreign aid after World War II, needed many years to accomplish its economic miracle. After all we have been at it for only 11 to 12 months and have by no means received any great assistance from the outside." In restructuring the economy the government must "always bear in mind the domestic policy problems, above all the social protection of the economic reforms." For this reason alone the professors of economics who want to implement a pure market economy model are facing narrow limits in Czechoslovakia. The restructuring can be accomplished only by taking Czechoslovakia's special conditions into account.

As part of the reorientation toward the market economy, segments of the population will be confronted with substantial losses in their standard of living. "Undoubtedly there are many in Czechoslovakia who were not doing badly in the past. They have never really worked and despite that had achieved a considerable standard of living which will now be drastically changed because these people continue to do nothing. Starting from this approach—and because two generations were fed the philosophy of how it is possible to live without working—we must be prepared [for the eventuality] that this group will violently protest our economic reform policy."

#### **Trusteeship Agency No Model for Privatization**

The Prague government chief criticized the Czechoslovak labor unions, the leaders and leading bodies of which do not have the backing of their members so that the government lacks a competent counterpart for a responsible wage policy. In the transition period a tripartite arrangement in the Western sense of the cooperation of government, employers, and labor unions is still

out of the question. Calfa: "The state still provides 80 percent of the plant directors in the CSFR economy. Only when entrepreneurship is created by privatization will the counterweight of the labor unions be required." Therefore the development of entrepreneurship and labor unions in Czechoslovakia must take place under the aspect of balance.

Considering all the differences—above all with regard to the enormous financial resources that were made available to the former GDR by the Western part of Germany—the Prague government chief nonetheless would like to "draw some lessons, especially in the area of privatization" from the experiences of the market economy restructuring in the former GDR. In contrast to the former GDR, the CSFR will not follow the path of a centralized trusteeship agency. In line with the federal state structure, the republics have substantial responsibilities regarding privatization and the market economy restructuring in the CSFR.

According to Calfa, "great progress" has recently been achieved in the solution of the nationality conflicts between the two republics, so that the critical economic reforms to be dealt with next year appear to be hardly endangered by this aspect.

## **ALBANIA**

### **Yugoslav Correspondent's Notes From Albania**

91BA0153A Belgrade BORBA in Serbo-Croatian  
3-4, 5, 6, 10-11 Nov 90

[Article by Vladimir Matovic: "Notes From Albania: Lament Over Stalin City"]

[3-4 Nov p 8]

[Text] From BORBA's special reporter:

Stalin City—Albania is indisputably, and even proverbially, the most closed country in the world, and the most closed city in it, without any equal, is Stalingrad. The largest monument to Josif Visarionovich Dzhughashvili, also unequaled, is the one in the city named after him.

The monument in Shkoder was removed back at the end of June. According to the official explanations, this was done because of the unsuitability of the location, because the monument to Stalin, erected in Shkoder's main square, "does not fit into the city's urban development plan." In Albania's central bank in Tirana, there are noticeable shaded areas on the walls of the largest hall from in front of which the busts of Lenin and Stalin were taken away for cleaning four-five months ago.

Of the two remaining monuments to Generalissimo Dzhughashvili, the one in Skenderbeg Square in Tirana, across from Lenin's, is increasingly serving as a tourist attraction for photographs of rich and eccentric guests who later show them to their relatives and friends in Bavaria, Kansas, Ontario, or...

This monument to Dzhugashvili in Stalin City is "the real thing," inaccessible to malicious and rich people from the "vile imperialist West." It is worth recalling that until recently, they could not even set foot on Albanian soil, naturally, during the years of unfeigned Stalinism and Hoxhaism. Today it is noticeable at every step that a lot of things are different in Albania. A great hunger, including the hunger for green currency, has forced Tirana to rent Mercedes automobiles to those who can pay; automobiles with license plates whose designators—for example, TR 00-0—open up previously impassable doors, and the entrances to the forbidden cities.

### A Lot Has Changed

The sacred city of Qytet Stalin (Stalin City, or in a closer transcription by our standards, Stalingrad) is still somehow resisting the winds of change in Albania, and is still the most inaccessible city, officially forbidden.

The most orthodox people come here to Stalin City, only from time to time, to lament over the fate of all those ideas of communism and Stalinism that the teeth of the new times are starting to gnaw away at, even here—in Albania.

The citizens of this city dedicated to Stalin also have reason for lamentation—in the several senses of this Latin word—before the bust to the Kremlin's priest of real socialism, and for "grief over the fate" that called for them to be "christened" as Stalin City, instead of citizens of one of the oldest Albanian settlements, Kucove.

We were soon convinced that these citizens did not consent to be dedicated to the socialist priest by the everyday sights that you can see on the streets of this Albanian city as well: The youngest people persistently followed us with outstretched hands and shouts of "Gum, gum!," persistently asking for chewing gum. Somewhat more adult ones asked for cigarettes. The most adult ones relentlessly offered amounts of household remedies in exchange for a dollar...

It was only when they realized that our pockets were empty and without any candy or cigarettes, and that it was too great a risk to trade in foreign currency there in Stalingrad's squares and parks, that they reconciled themselves and agreed just to exchange views and words. And if the entire conversation with them, spontaneous and unusual, were to be compressed into the fewest possible words, our extremely talkative and cordial interlocutors, in an improbably brief time, mostly informed us of the following: A lot of things have changed for them in just the last few months. Now, for example, they dared to approach us, talk openly, ask for this and that, and even ask their own authorities for passports—all of this was unthinkable until recently. Children do not have milk now, either; however, girls do not have soap, and the aged and sick do not have medicine... But some of that can be purchased with foreign exchange.

We conducted this unusual dialogue in Stalin City while following the events of the day in that city of about 30,000 people last Saturday. We conducted it at athletic fields, where, judging from the fans, an extremely significant duel was going on between the volleyball players of that city and their guests from Durres. The emotionality of the cheering in the improvised stands from which we observed this match exceeded all our knowledge of the boisterousness at Mediterranean athletic fields. The fans here sympathized so much with the competitors in shorts that they threw and slung like them in the air, not across the net, but up in the stands.

### You Should Not Listen to Them

It was unusual to watch those "ordinary people's" heartfelt joy and satisfaction with even the small, very minimal things that life offered them. After the conclusion of the match, most of them joined the women who were already sitting in front of the entrances of the apartment buildings, and drank together cups of brewed grass and tea instead of coffee, which can be drunk only in the capital's hotels for foreigners. The oldest ones calmly played dominoes, smoking cigarettes with an unusual sharp odor. They apologized for the sharp odor and justified themselves by saying that they were forced to smoke grass, because tobacco was exported, like everything else here of any value at all.

After a short conversation, these oldest citizens of Stalin City confided to us that they had not given up even after 45 years, convinced that there would be an end to scarcity and trouble, and that that day was now very close. On several occasions, and excitedly raising their voices, they warned us not to listen to those who were driving us, leading us, and translating for us the speech, thoughts, and feelings of the Albanian people, because, according to these people in Stalin City, the only ones who will be able to speak on behalf of the Albanian people will be those who are elected by the people, and who give the people the freedom to choose—from their own names, to the choice even of the name of the city in which they will live, along with everything else that the citizens of other countries have a right to. That is something that people here have learned about from listening to the radio and watching programs from foreign television stations.

The duality in viewing and talking about Albania today is one of the most striking impressions for someone who has the opportunity to visit "the country of the eagles today," stroll through its streets, travel all over its roads, and talk with its people.

What is said by those who "drive, lead, and translate" for guests from other countries is quite different, and in almost every respect completely the opposite of what you hear from the "ordinary, and, so to speak, unofficial people."

The people behind the curtains in the black Mercedes automobiles or Volvos are educated and speak with

contempt about their "degenerate" compatriots, the rabble—the official name for those who rushed into foreign embassies a hundred days ago, scrambling after exile and material, transient values in life. Those who actually drive top-quality cars, live in special housing developments and houses with a Western standard of living and comfort, dress in the latest European fashion, and are even buried in special cemeteries, speak with contempt about their compatriots who allow themselves to be easily led astray and bought, and who lack higher goals and interests, with inexorable and unconcealed manifestations of human life and existence.

We also watched that "ordinary" and indestructible world last Saturday in Stalin City, and watched how it was precisely there, in that city devoted to the priest of a happier but vaguely remote future, that people gave into everyday reality and life: Children played loudly and even fought; somewhat older ones stole chestnuts; a young woman, all in white, spoiled the idyllic picture by bringing back and recalling many sins—the ordinary human ones, naturally.

And all of this inevitable human activity took place and survived in the inhuman climate of Stalinism, not just as an ideological model, but also as a situation that was a denial of the very meaning of all natural manifestations of human life.

#### They Remained as Foundations

Stalinism is the very concept and ideological project of the founders of this city. In their heads and offices, they planned to build a new city of marble, dedicated to the high priest of real socialism, Josip Visarionovich Dzhughashvili, in the Tomorri mountains, on top of old Kucove, a former Albanian petroleum center, disorderly and dirty, like all the world's energy and mining cities. Of the numerous large projects, halls, auditoriums, etc., only the foundations remain. What makes this city unusual and distinguishes it from others—and not only Albanian cities—is the enormous monument to Stalin, along with slogans on every wall that can possibly be written on. Among the hundreds of slogans, one particularly attracted our attention: "Democratization, but gradually, step by step."

Stalin City is a forbidden city, and not just because of its oil wells and the installations around it. It is also closed to guests because of the political image that Tirana is trying to create for guests from the outside world. It is politically unfashionable even for visitors from China, Cuba, and several other Asian, African, or Latin America countries. Among the reasons for its closure and inaccessibility is certainly the fact that under the slopes, in addition to oil rigs, one can also see the shimmering white fuselages of airplanes at an airport that is not drawn on the geographic and transportation maps of this country.

We will talk in the next article about how to reach forbidden cities, as well as about the indomitable "ordinary" Albanian who has lived through and survived the most brutal denial of humanity and life—Stalinism.

#### [5 Nov p 8]

[Text] Tirana—The floodlights were turned off as early as last week. The multicolored fountain has dried up, the loudspeakers have become silent, and so the central square of Albania's capital, Skenderbeg Square, in the first days of November, is gradually returning to its everyday life, to bicycle riders, and, in the evening, strollers.

For three days, the capital of one of the smallest European states had an opportunity to enjoy the role of the political center of the community of six Balkan states, with an area more than 50 times larger. This Balkan unification, from 24 to 26 October, was naturally only for negotiations and lasted as long as the ministerial conference of the six countries' foreign ministers in Tirana.

The big political event in the smallest Balkan state has passed, and what is left is experiences, memories, and commentaries.

People lived through those three days in Tirana with an unconcealed and almost feverish excitement; this was obvious at every moment and at every step.

The hosts did not have any major problems with the 50 or so members of the delegations from the other five states. Although in Tirana's entire history it had never hosted an international meeting that was anywhere near that significant and large-scale, it nevertheless had certain experience in organizing party congresses, assembly sessions, and similar mass gatherings.

#### Problems With "Equipment"

The well-known prewar Hotel Dajti, with a bit of polishing, was equipped for a residential role—housing the heads and members of the delegations. Good merchants from Skopje covered the corridors and stairs of this old hotel with purple runners, the rooms with high-quality rugs and pieces of furniture, the restaurants with new place settings and utensils, and the duty-free shop with goods of European standards and quality, so that everything was done according to protocol and at the proper level.

To transport the official participants in the meeting to the nearby and lavishly built Palace of Congresses, the organizers also had a sufficient number of Mercedes automobiles, probably from the garages of the Albanian government and the Central Committee. The news was circulating among the journalists covering the meeting that because of those Mercedes automobiles, people from the top and bottom of Albanian society had moved out of Tirana during the last few days of October: Members of the elite who were not involved in the



ministerial conference, selected by their own choice villas in Durres or even further south, in Vlore and Sarande, while the unfortunate people who had been convicted of previous crimes, from political crimes to pickpocketing, were taken away for forced labor in the mine shafts.

Because of the extraordinary requirements, the working hours of the two gasoline pumps in the capital were specially extended until 2000. Because of the increased traffic in the city, with 10 or so cars for official guests and the same number in which individual foreign journalists arrived, all three traffic lights in Tirana were put into operation. There were constant problems with this technological achievement, however. In fact, only one of the traffic lights worked properly the whole time. Another continuously blinked a yellow light, and that proved to be an incomparably lesser evil than the third, which shone green the whole three days.

Fortunately, there were no accidents, perhaps due to a long-standing and deeply rooted habit in Tirana: No one, driver or pedestrian, adheres to any traffic regulations or order whatsoever. A policeman appears only on occasion on one of the busiest streets in Tirana. He, however, finding out that no one pays any attention whatsoever to his waving, soon gives up on it all.

#### Why Everyone at the Same Time?

A hairdresser's shop in Tirana specializing in ladies was able to cope with its tasks during the past few days. Its work was alleviated, among other things, by the fact that there were almost no women in the delegations from the Balkan states. In that respect, the composition of the journalists noticeably improved the average, especially in an esthetic sense.

In any case, the cordial and self-sacrificing hosts had the biggest problems with the journalists. On all three days, around noon, there were indescribable crowds and disagreements at the press center in the Tirana Hotel. There were three telephones, the same number of telex machines, and two fax machines installed in this center for about 100 foreign reporters. These figures, unfortunately, are only on paper, since not even half of the equipment was functioning at the most critical times. The translators and escorts responsible for foreign journalists were touchingly sympathetic and impotent. They constantly spread their hands and asked, "Why can't colleagues agree in advance? And why does everyone have to rush to the telephones at the same time?"

One should not conceal the fact that there were also disagreements around midnight because of the journalists. In both hotels for foreigners, the opening of the nightclubs was announced during the course of the meeting.

In Tirana, however, night is a relative concept. On one evening, the nightclubs in both hotels closed before 2000. The ejected guests found entertainment by discovering three bicycles in the main square. They rode them

in a circle around the shimmering fountain and in front of the grim visages on the monuments to Enver Hoxha and Skenderbeg. The girls were particularly loud in expressing their satisfaction with this evening ride around the empty central square.

The next day, all the journalists in this group were notified without any possibility of appeal that because their translators were busy, all of their schedules and their further stay in Albania were being cancelled. The assurances of these young Americans and Britons that they actually did not even need translators were hopeless. They were forced to leave Albanian territory within the shortest possible time. These seven young journalists left without understanding whether their bicycle rides around the main square were only one of the possible reasons for this unconvincingly explained and hasty denial of hospitality.

Thus, the stop light was suddenly lit on the traffic light of political indicators and moods in Tirana. The unexplained, like many things that happened, should not surprise us in the land of eagles.

#### Disco in the Mausoleum

More alarming than the adventures of occasional guests from the outside world in this country, which was partly open to journalists only during the Balkan conference, is what happens to its citizens. The poverty and shortages are increasingly harder to conceal, and solicitations from beggars cannot be prevented even in the central square of the capital. The fountain there, which has already dried up, glistens only on the days of an international meeting (otherwise, there are drastic shortages of water and restrictions in Tirana every day). Many lights have also been put out, since the capital of this country—whose main export item, until recently, was electricity—is now threatened by drastic restrictions on electricity. The shortages and increasingly more drastic restrictions could only be alleviated through imports.

Foreign exchange, however, is essential for importing even fundamental necessities. The shortage of foreign exchange is vividly demonstrated by the demand that foreign citizens pay for entering the monument and mausoleum of Enver Hoxha exclusively with foreign currency. So that they would want to do this, the youngest colleagues from the West were appealed to by advertising a newly opened disco club in the mausoleum—for the time being. In the near future, even more unlikely memorial-marketing endeavors can be expected in Tirana.

[6 Nov p 8]

[Text] The assertion that every Albanian has his own bunker is neither fantasy nor humor. In a country in which even official propaganda is beginning—after 45 years—to recognize, although with embarrassment, the existence of scarcity, distress, and even poverty, even the

number of bunkers acquires a completely new and strategic significance: no longer defensive, but economic and developmental.

Until just a few months ago, the bunkers in the "land of eagles" were not only unconcealed, but even pointed out with pride as the most reliable bulwark of national security. During the life of leader Enver Hoxha, the number of bunkers was increased and presented to the world in growing and increasingly more fantastic numbers: 250,000, and soon twice as many, up to the incredible number of 3 million reinforced concrete fortifications....

How many of them have actually been built, and how many bunkers cover Albanian territory today? Even the most informed people will tell you in confidence that no one really knows for sure. Such an answer is imprecise and evasive only at first glance, and is essentially very logical: One of the fundamental characteristics of the system that Albania is trying to survive and recover from, is precisely that "Potemkin" reporting to the ruling leadership by the basic local authorities. Due to this, the number of bunkers built in Albania's isolated areas, from all indications, is not in proportion to the figures recorded at the appropriate ministries and headquarters in Tirana.

#### How Many Are There?

According to the latest estimates by knowledgeable sources, the real number of bunkers built in Albania is somewhere between 300,000 and 500,000.

With the relentless passage of time, even bunkers, the long-lasting, reinforced-steel pride and symbols of a state with orthodox faith in communist socialism, begin to change and corrode. Of those many years of orthodoxy, along with the bunkers, only slogans (the most widespread one is "Glory to Marxism-Leninism") and an occasional monument to Stalin and Enver Hoxha are still visible around Albania's cities and roads.

Even slogans, however, as well as bunkers, are viewed with different eyes in Albania today. There is no more time to lose on frivolous and worthless things, and not even for calculating how much cement, steel frames, and human labor have been expended on worthless structures. It is time to recalculate things in the opposite direction: How much will it cost to remove everything that has been inherited and is a nuisance, including those reinforced concrete monstrosities—especially since the most beautiful parts of the Albanian countryside have been covered and defaced by thousands of bunkers.

The most attractive and most desirable thing that Albania has to offer foreign investors today is, above all, the Adriatic coast. Its luxurious Mediterranean sandy beaches, kilometers long, have been "polluted," however, by thousands of concrete monstrosities. Guests who have been invited from all parts of the world to rest and vacation in Europe's most technologically underdeveloped country are not just bothered psychologically by

those reinforced machine gun and cannon nests; these things also physically block access to the sea.

Obviously aware of the ugliness of their former symbols, the Albanians are now trying to do what is quickest and cheapest: They are covering the bunkers with layers of soil and plants, and covering the ones on the beaches with piles of sand. Someone may also tell you helplessly, with a smile, that one should not approach everything just from the worst side: Young people, you see, have found a grain of benefit even in one of the most paranoid socialist-Stalinist investments. Now, with all the critical shortage of apartments, they are using the hidden bunkers for making love.

Thus, even on Albanian beaches, from Dures to Sarande, life has overcome the paranoid projects of the "engineers of human souls" and the mass efforts to create human happiness "on a scientific basis." Can the traces of footsteps in the sand around the entrances to the concrete fortifications on Albanian beaches inspire the authorized designers and businessmen to equip the bunkers, at least the largest ones, for the most noble forms of human life without destruction and major investments? And make them attractive at least for some guests, the more eccentric and more extravagant ones, or else as a monument and a lesson for all the others?

Albania's coasts and beaches are not only polluted by bunkers. The ideological formula for a happier future, "socialism, industrialization, electrification," has left its dirty traces precisely on the most naturally pure parts of the Albanian countryside.

#### Foreigners Are Coming

The gorgeous coasts of Vlore, for example, have been defaced by the "turbulent development" and forced growth of the chemical industry. This town, which is one of the most beautiful Mediterranean towns, with 12,700 inhabitants at the end of the war, is more than six times as populous today. The city grew through the appearance on its coasts of socialist-realism buildings copied from the designers of the new Siberian cities and the new construction on the Karelian-Finnish gulf.

The businessman Rusi Toreu, an American of Albanian origin, thinks, however, that Albania "is not a lost cause in every respect." The most valuable thing it has, nature, has proven indestructible in spite of everything. This businessman purchased the skeleton of a future hotel building in Vlore for \$325,000. He is convinced that his investment in the completion of the 520-bed hotel will be quickly recouped under the condition set in advance vis-a-vis the Albanian authorities—that they permit future guests to bathe on the coasts across from this defaced chemical industry where there are now naval bases built at one time by the Soviets.

There are also investors from Vienna in the Vlore gulf these days. The Austrian branch of the international firm Horvat and Horvat is competing with \$200 million in capital. It is willing to invest it over the next five years

for the construction of 2,000 hotel rooms on the Albanian Riviera between Vlore and Saranda. Along with the construction of "four-star" tourist resorts, these investors are also willing to invest in the construction of a new airport, as well as a luxury hotel in the capital, Tirana.

The Austrian branch of the international firm Horvat and Horvat, with a total capital of \$1.5 billion, is evaluating investments in Turkey, Jordan, and Albania for the most profitable tourism business. According to the assessments of this firm's experts, the geographic characteristics and potential of Albanian tourism are by no means inferior to those of Greece and Yugoslavia. This Vienna firm is still considering, with unconcealed self-restraint, the justifiability of the Tirana government's project for building an Albanian highway soon, since this country has only 4,000 automobiles. The forced development of tourism by automobile would only harm the coasts and the tourism of a country whose natural beauty has already been damaged by ill-considered attempts at industrialization.

[10-11 Nov p 8]

[Text] Dures—One diplomat, a commercial counselor in Tirana, summed up for us his view of Albania over several years in only 10 or so words: "This country is certainly not in the same league as the rest of Europe, even Eastern Europe."

Albania, at least officially, is mentioning Europe more and more often; how close is it, and how far?

It is becoming increasingly difficult to obtain political analyses of events in Albania and assessments from observers on the scene—diplomats. The diplomatic corps in Tirana, which was in any case among the smallest in any European capital, was thinned out even more this fall and almost decimated. In the middle of this year there were about 200 people employed at 19 diplomatic representations in Tirana. Now, before the end of the year, the size of the diplomatic corps in Tirana has been visibly reduced, but it is impossible to count it precisely.

The representatives of some diplomatic missions are literally stating that they are only physically present in Tirana, and officially, they say, they have not yet presented their credentials. Or else they are on leave—extended, or on sick leave—indefinite...

**Diplomacy and Human Rights**

At the just-completed building of the German Embassy on Skenderbeg Street, the fully lowered curtains on the windows and the closed door suggest the conclusion that "there are no diplomats living here." Nevertheless, one colleague, a Berlin radio reporter, told us in confidence that it was precisely here, in the newly constructed building in Tirana, that he met with the German ambassador. Under one condition, however—that their meeting, as well as the ambassador's presence here, would remain very strictly incognito.

The Italian ambassador is officially unhidden and present in Tirana. He lets everyone know, however, that he is using his stay here for the only possible intellectual pursuit—playing chess. While awaiting the final arrival of diplomats from the country with the official world chess champions, he is the first among the diplomats from Rome to challenge opponents from the Embassy of Yugoslavia, as the country with the chess vice-champions, and better company in many respects.

We were told that only a message from the French ambassador had arrived in Tirana from Paris: It was not clear to him what a professional diplomat was supposed to seek in a country that so grossly violated the most fundamental norms of international law. The demarche from the Quai d'Orsay was the harshest one, we recall, when the Albanian ambassadors in Paris, Rome, Athens, and other West European cities were summoned this summer so that they could be handed protests against the incursion by the Sigurimi into foreign embassies.

You will be frankly told at many embassies in Tirana that their official premises and ambassadorial residences have been in the process of "being cleaned" and renovated for several months as an open demonstration and response to their host country because of the conditions surrounding them and the circumstances in which diplomats in this country are forced to live and work. The most pessimistic ones do not even see any solutions in the near future for the long-standing unbearable situation and working conditions here. They also raise a question in principle: Is there any purpose or meaning whatsoever in diplomatic activity in an environment suffering from the diplomatic-police regime? Isn't this business condemned in advance to failure, and all the labor and time only lost years, "devoured by the despots"?

The situation among the diplomatic corps in Tirana, in the wake of this spring's high hopes in the indications of "an irreversible opening of Albania," is deteriorating once again.

The world press has published a series of articles on how Albania is using bars more than 3.5 meters high to prevent entry into the embassy quarter in Tirana. French and American agencies, as well as the influential German *SÜDDEUTSCHE ZEITUNG*, have entitled this the opening of a "diplomatic ghetto in Tirana." In meetings with the remaining charges d'affaires in some diplomatic representations in Tirana, you will hear numerous criticisms of the host country authorities. Particularly drastic are the bans on the movement of foreign diplomats outside Tirana, and the rigorous bans on leaving the country. One Czech diplomat thus received approval to leave for his brother's funeral only on the day after the burial in Prague had already taken place. One of our diplomats managed to get to his mother's funeral only at the cost of a dangerous drive along the Albanian roads, which in any case are impassable and unsafe.



### Too Much Uncertainty

An earlier rumor that Tirana was the most monotonous capital in Europe now seems to have been replaced by its opposite extreme—too much uncertainty, and even danger to one's life.

We saw a lot of things that have been experienced but are hard to explain today in Albania even on Skenderbeg Street. In addition to the steel bars blocking the entrances to this part of the city, the reinforced barriers camouflaged by flower gardens, and the concrete walls surrounding courtyard entrances, it is surprising that some embassies are specially walled off by steel barriers. The most surprising thing is that the highest and strongest fortifications are those around the embassies of North Korea, Algeria, China, the PLO, Vietnam, and several other countries... It is particularly incomprehensible because it was precisely at these embassies that virtually no Albanian citizens requested asylum, or asked for anything at all, not even visas.

In spite of persistent searches, we were not able to get an answer or convincing explanation from the representatives of these embassies, or those of other countries. The only thing is that at several embassies, they did not keep silent about their lack of sympathy, and even anger, at the Turkish Embassy's gesture of support and solidarity with the ruling regime: It handed over its building's guard, who, understandably, trusted the embassy staff's expressions of friendship.

Emphasizing the sacred right of every country to autonomously establish and conduct an independent policy (foreign as well), prominent representatives of the Greek diplomatic service question the current steps and strategy of some countries, especially the most developed ones: Did they have a right to boycott and ignore anyone's policy at times when the people of the country in question were exposed to existential trials and when even their survival was in question? And wasn't it precisely the sensitivity and seriousness of the situation in the given country that were a challenge and an opportunity for diplomacy? Regardless of the given conditions, the cost, and the victims?

Hesitation similar to that of the Greek sources could be heard in recent days at many embassies in Tirana, especially those from the Balkan countries. In the last few days we heard from many diplomats in Tirana a great deal of praise for the Yugoslav Embassy in Tirana, along with an emphatic qualification that they were not saying this out of politeness but because of their deepest feelings. Even if one can doubt the sincerity or motives of the compliments that we heard, the daily sights that you can see in front of the Yugoslav Embassy building in Tirana are unquestionable and irrefutable. Dozens of people asking for and waiting for entrance visas start to gather in front of our embassy from the earliest hours of the morning. By the beginning of office hours, there are around 500-600 people there, and the entrances to the embassy are virtually inaccessible.

In talking about the broader and deeper significance of the sights that could be seen in recent days within the diplomatic community and diplomatic life in Tirana, we also heard ideas opposed to those saying that the most prominent representatives of the largest European countries were not justified in leaving Tirana. Among the supporters of such countermeasures, we heard that this was primarily a temporary lull, a time-out after the tumultuous events of the summer and the descent of the asylum-seekers upon the embassies in Tirana.

They will also point out to you that while diplomacy is resting, businessmen are continuing "at full steam." And actually, in the last few days one could observe in the hotels of Tirana and other Albanian cities, for example, very noticeable U.S. businessmen, led by Michael Kennedy, who were investigating the possibilities of oil exploitation in the Vlore gulf. Italian representatives at a metallurgical combine in Elbasan agreed on the establishment of a joint mixed firm. The Japanese answer in a general way that they are "interested in minerals;" more precisely, nickel and chrome are probably the focus of their attention.

In Tirana, there were particularly noticeable efforts during the last few days by Italian diplomats attending the just concluded conference of Balkan foreign ministers, as least as observers. In spite of this and many other prominent activities by Rome, the Italian press does not conceal its irritation with Italian diplomacy, which it considers insufficient. In that regard, the influential Rome *AVANTI* warns: "Let us not forget that Germany, which has a strong presence in Slovenia and Croatia, has opened its purse for Albania as well. That still is not a great deal, but it represents a signal. If the Adriatic does not interest us, should we inquire what we care about at all?"

Before the end of this article, here is one solution for the reader: If you have already noticed that this article about the diplomatic corps in Tirana was sent from Durres, do not think that it is a mistake. Even in the mild days of autumn, as well as during the scorching summer heat, Durres is the favorite resort of the diplomatic community; it is almost superfluous to list the advantages of staying on the Adriatic coast. Diplomats also make abundant use of those favorable conditions.

### In the Unofficial Capital

For that reason, these days you will hear even the most important Albanian diplomatic and political news most quickly and most reliably in Durres. Diplomats are also staying here longer and longer, without any fear that they will insult the unique sensitivity and moodiness of Albanian official politics by not only living, but also working in the unofficial capital. This danger is all the more justified if one knows that Durres was the first capital of Albania for many years, before it was moved to Tirana.

The dangers from possible disagreements are particularly reduced because the same favorable conditions are



enjoyed precisely by the Albanian state and party leaders. They also spent a noticeable portion of their time in their Durres residences. In that residential part of Durres, particular attention is attracted by the villa of the late king, Aleksandar Karadjordjevic. It is currently—according to people informed about residential events here—the residence of a guest who is brought to Durres in the only BMW with a Tirana registration, carrying the most well-known widow in the country, Nexhmije Hoxha.

Thus conversations in Durres hotels, which start with major international political or local economic development topics, often slip into less general and even private ones. Your interlocutors will explain that to you very diplomatically—in terms of the lack of freedom of movement in this country.

"When the weather is good, we find salvation in Durres. It is only an hour by car from Tirana. But when the unbearable southern Kavaje wind blows," a junior diplomat complains, "and the blue waves are pounding against the shores, then this refuge is also inhospitable for diplomatic refugees from Tirana. At the same time, the winds make life in the official capital even more unbearable. They carry with them clouds of smoke from the thermal power plants build in the immediate vicinity of Tirana. Then the Dajti peaks hold in the poisonous clouds over Tirana."

The list of criticisms from foreign citizens who reside in Tirana for various reasons is too long. One hears news, however. It suggests that the authorities are not only starting to pay attention, but also showing a desire to alleviate the problems of foreign citizens as well. Thus, this fall, for the first time, foreigners' children were allowed to attend Albanian schools. The first specialized womens' hairdresser was provided for women, and there are prospects for the opening of tailors' shops and even massage and pedicure salons.

All in all, even these little things indicate that something is nevertheless changing in Tirana. Between the opposite extremes of the ideas about the changes in Albanian that we heard in the last few days from politicians, diplomats, artists, and others, this time we will use the views of our colleagues, newspaper reporters.

The idea expressed in a newspaper title, "There Is No Need for Changes," was probably last voiced by a reporter in Tirana from the loyal East German paper HORIZONT, at the last minute, just as the East German state and policy were disappearing. The antithesis of this assertion is the one that was defined by a report from Milan's IL GIORNO: "Changes—So That Everything Will Remain the Same." The truth, however, is perhaps in the "golden mean": it was expressed with the fewest words by a colleague from Boston's CHRISTIAN SCIENCE MONITOR: "Strictly Controlled Gradual Changes."

## BULGARIA

### Ecoglasnost Chairman Slabakov Interviewed

91BA0111A Sofia IKONOMIKA in Bulgarian  
Sep 90 p 31

[Interview with Petur Slabakov by Stanka Dineva; place and date not given: "Responsibility Means Firmness"]

[Text] [Dineva] Few people know that Petur Slabakov is an economist by training. Can you tell us something more about your economic preferences?

[Slabakov] They are based on both the fact that I am an economist by training and that I have worked as a metal casting worker and a tractor driver. I know where and how the grain is grown and its cost to the people.

Economics is a complex mechanism, and its efficient functioning is the result of the interaction among numerous factors. Above all, this applies to the availability (or unavailability) of natural raw materials. In this connection, the development of a heavy industry in our country over the past 45 years was an effort to jump ahead of ourselves. We know that Bulgaria is poor in raw materials. To support its industry, it should either depend on countries that provide them or have sufficient convertible currency to purchase them on the world market. At present, both choices are ineffective. Consequently, in the future, priorities in the development of our economy must be consistent with the "limitations" imposed by nature.

[Dineva] As an economist, you know the cost to Bulgaria of catching up with the developed European countries. As an ecologist, you probably favor a type of economic system that does not threaten the health and life of the people. Are you of a split mind?

[Slabakov] Obviously, the country needs both metallurgy and chemistry. However, this depends on the price. The building of the combines near Kremikovtsi, Radomir, and Plovdiv, of the chemical plants near Devnya, Stara Zagora, and Kurdzhali, and of the petroleum refineries near Burgas, Yambol, and Pleven turned the land into a desert. I remember what a beautiful area Zlatna Panega was, and I can see what it looks like now. Thirty years ago the Devnya plain was fertile land, whereas today acid rain is pouring on it.

My personal view is that agriculture, tourism, and light industry must assume a leading position in our future economic program. I am far from the idea that we would be able to make ends meet exclusively by growing tomatoes and cucumbers. It would be suitable to pay greater attention to electronics. In my view, we turned our backs to this sector in the future of which, for decades, we had invested millions of leva and foreign currency, without reason and because of failures due to subjective reasons. However, for electronics to truly become a leading production line in our economy, we

must check our achievements against the global achievements in that area. Naturally, the state should give up its monopoly. Firms and plants, the upkeep of which is expensive and that have no real opportunities to become profitable, should be privatized. They could be sold to foreign companies that will update the production facilities and that, through the competitive struggle, will force the others to catch up with them.

My passionate defense of agriculture, tourism, light industry, and electronics is based on the fact that they are ecological sectors. I would not hesitate for even a moment to make ecology first and foremost! That is because all of us, my generation in particular, have a moral debt to our children: We poisoned nature, and, finally now, we must show concern for it.

[Dineva] Environmental pollution is not the exclusive problem of our big cities; the arable land has been poisoned as well. How, in your view, can we protect it from agricultural producers who dream of getting rich quickly and easily?

[Slabakov] I believe that no one in Bulgaria has precise data (or, if such data exist, they have not been made public) about the extent to which farmland has been poisoned by chemicals and the time it will take (if it is possible at all) to return it to a normal condition. According to some specialists, the indiscriminate use of chemicals has destroyed the humus, which should be plowed up at a depth of no fewer than 70 centimeters so that the clean layer could come to the surface. In my view, this is a temporary measure because the water from precipitation takes the poisons into the ground waters, which we subsequently drink or use for irrigation.

The most important prerequisite for solving the problem of ecological purity of agricultural production is the passing of the privatization law. It is only after the land has "found" its real owner that the rights and responsibilities related to ecological safety will be linked to specific individuals. It is necessary for the Grand National Assembly to promulgate a legal document that would strictly penalize producers who offer products that are harmful and health threatening.

[Dineva] How will Ecoglasnost help in blocking the opening of new "polluting" facilities?

[Slabakov] The purpose of Ecoglasnost is to rally the efforts of all Bulgarians to live and work in an ecologically clean country. My personal suggestion is the organization of a supreme ecological council that would involve all political forces. It would have the right to veto decisions made by parliament, the government, and the president if they are harmful to the ecology. All proposals for new production facilities must be passed by this council, and its activities should be assisted by a specialized parliamentary commission. It is equally important to promulgate an environmental protection law and draft a long-term program that would involve all political parties and movements. In its first stage, it should deal with making existing production facilities

ecologically safe (or, should this prove impossible, close them down). The second stage of the program should guarantee continuing and comprehensive supervision in the creation of new plants.

[Dineva] As a deputy, do you feel more responsible today than before 10 November?

[Slabakov] My responsibility remains the same. It is only my activities that have switched from public gardens and meetings to parliament. I shall not rest until I see our land, water, and air clean because to me, responsibility means firmness in supporting my view.

### **Zhelev's Philosophical Ideas, Experiences Discussed**

*91BA0079A Sofia VEK 21 in Bulgarian  
17 Oct 90 pp 1, 4*

[Article by Asen Ignatov, translated from the German by Stefan Besarbovski: "A Philosopher at the Head of the State (Attempt at a Portrait)"]

[Text] After a boring, petty fight, the Bulgarian Grand National Assembly (the Legislative Assembly) elected, on 1 August 1990, Zhelyu Zhelev, the head of the united opposition, president of the Republic. It is thus that one opponent of communism became the head of state in a country where the communists are still enjoying a parliamentary majority. This is an unusual situation, which, however, is consistent with the inordinate personality of the new president.

### **The Life Path**

Zhelyu Zhelev was born on 3 March 1935 in Veselinovo Village, Shumen Oblast, in Northeastern Bulgaria. He attended the N. Vaptsarov High School No. 2. After graduation (1953), he studied philosophy from 1953 to 1958 at Sofia University. For a short while he taught in the provinces, where he joined the ranks of the BCP [Bulgarian Communist Party] and, in 1963, was accepted as a postgraduate student in the department of dialectical and historical materialism at Sofia University. Both as a high school and a university student, Zhelev was an enthusiastic communist. Nonetheless, the ever clearer disparity between words and deeds and between reality and an ideological facade triggered his initial doubts concerning official ideology. His first major conflict was started in connection with an abstract philosophical problem. In working over his candidate dissertation "On the Philosophical Definition of Matter and Contemporary Natural Science," Zhelev reached the conclusion that Lenin's definition of matter was incorrect and should be corrected. Actually, this young graduate student did not consider this in the least a refutation of dialectical materialism. Instead, he believed that his "correction" was in the "spirit" of Leninism. Such caution, to put it most honestly, did not help him. He became the target of real persecution and was systematically and publicly attacked without the right to a rebuttal. Meanwhile, Politburo member Todor Pavlov,

who was at that time the leading Bulgarian ideological philosopher, branded him in his speech at the Ninth BCP Congress (1966) as a dangerous heretic.<sup>1</sup>

Because publishing his work in Bulgaria was out of the question, Zhelev sought an international forum abroad. He sent a short article to the editors of the East Berlin GERMAN PHILOSOPHY PERIODICAL describing the main theme of his work. After receiving a rejection slip, the author sent a complaint...to the chief of the SED [Socialist Unity Party of Germany (GDR)], Walter Ulbricht, who, for reasons of his own, responded by giving the publication his "blessings." The article was published.<sup>2</sup> However, not even this saved Zhelev. By the end of 1964 he was expelled from the party. Although he had completed his "postgraduate studies," he was not allowed to defend his thesis. Furthermore, political steps were taken against Zhelev: He was forbidden to live in Sofia, and, while visiting the capital, he was repeatedly detained and, according to the technical militia term, "under guard"—that is, indirectly, with interruption and "night stays" in the militia departments in each okrug center along his itinerary, taken under guard to the village where his wife lived. He was forbidden to practice his profession and to publish. This situation lasted for eight years, during which Zhelev led the life of a real pariah of socialism.

Nonetheless, the philosopher remained inflexible and was one of the few Bulgarian intellectuals who did not compromise his conscience. It was not until 1972, as a result of relative liberalization, that he became a scientific associate at the Culture Scientific Research Institute; he was later promoted to senior scientific associate and even to head of the Culture and Personality section. Finally, he was able to receive his scientific degree with a dissertation on ethical categories.

In the decade between 1972 and 1982, he led a relatively peaceful life. During that period, a long era of reaction or, to use the preferred term today in Eastern Europe, the period of "stagnation," Zhelev tried to publish his scientific work *Fascism*, which he had completed as early as 1967. Finally, after a full 15 years, the Youth Publishing House took the risk and managed to publish the book in 1982.<sup>3</sup> The book was a tremendous success for the author and a monstrous scandal for the authorities. The work dealt directly with "fascism," a term Zhelev applied to right-wing totalitarian regimes. However, the readers immediately linked it to communism. "Is the situation not the same in our country?" was the public's typical reaction to this book. The authorities took drastic steps, but this time they were able to label subversive only one-third of this edition. It was thus that, through its own bureaucratic sluggishness, the system hurt itself.

Once again Zhelev lost his position, although this was accomplished indirectly. The entire institute was "reconstructed" and clearly reorganized, in the course of which the section headed by Zhelev was totally abolished, so

that there was no need to have a section head. Once again a period of great material hardship was inflicted on this philosopher.

Zhelev got new impetus when Gorbachev came to power. He was one of the founders and actual inspirer of the For Glasnost and Restructuring Debate Club, which was renamed Glasnost and Democracy Club and which eventually became the nucleus of the Federation of Glasnost and Democracy Clubs.

Zhelev's most significant accomplishment has been the unification of all the more important forces within the Union of Democratic Forces [SDS]. In December 1989 he became chairman of the SDS Coordination Council. Zhelev was able to successfully counter the centrifugal forces and to prevent the sometimes dangerous split within the Union.

In the first free parliamentary elections since 1931 (at that time, following the military coup of May 1934, a series of authoritarian and usually right-wing nationalistic dictatorships followed, replaced in 1944 by a communist regime) and under his leadership, in the two rounds of 10 and 17 June 1990, the Bulgarian opposition showed up clearly and became a factor without which the country's rule could not be conceived. The fact that, unlike all remaining communist and opposition candidates it was exclusively Zhelev's that managed to ensure the urgent compromise, shows once again the high respect he enjoyed even among many communists.

### The Theoretician

Anyone who would like to understand the nature of the new president should not forget that he is essentially and above all a *homo theoreticus*, and that he arrived at politics by way of philosophy and sociology. His basic theoretical ideas have given him solidity, firmness, and farsightedness. They contribute to his penetration into more profound interrelationships and to his ability to think in terms of long-term prospects, qualities that are still lacking in the routine-driven, purely "empirical" professional politician. Furthermore, Zhelev's theoretical development involves corrections of Marxism-Leninism, and the political relevance of this theory, in general, does not need long explanations. In the area of political conflicts, under Zhelev, as the reader may note for himself, such problems frequently became a pretext for problems that in themselves were clearly politically neutral. It is with this in mind that we shall sketch quite briefly the philosophical-sociological evolution of this Bulgarian politician.

His debut as a student was during his final semester, with a debate on antagonistic and nonantagonistic contradictions under socialism published in Moscow's VOPROSY FILOSOFII. This is something that, according to the criteria applicable to Bulgaria, was in itself recognition. Although this text remained within the understandable area of party scholasticism, Zhelev nonetheless opposed authors who essentially presented Soviet society as free from contradictions.<sup>4</sup> The most important features in

Zhelev's intellectual biography, however, are his differences with Lenin as a philosopher and his analysis of totalitarianism.

As we said, Zhelev's clash with the dominant ideology began with his critique on the subject of matter. We know that Lenin defines matter as "a philosophical category that indicates objective reality that is given to man through his senses and that is duplicated, photographed, and reflected through our own senses, and that exists independently of them."<sup>5</sup> Zhelev's criticism of Lenin is that the quality of the existence of an "objective reality" is no substantial quality of matter whatsoever, for what is objective exists only in terms of the mind, which, however, is not an attribute of matter but is triggered only at a certain level of its "development."<sup>6</sup> Actually, in general, Lenin does not tell us what is matter itself but only how it relates to consciousness. However, this does not make it possible to distinguish between matter and space and time, which are also objective reality,<sup>7</sup> as well as...God, to whom, according to the majority of theological trends, an "objective reality"<sup>8</sup> is also ascribed. Zhelev's positive answer as to the nature of matter reads: *reaching*. With this he goes back to the classical concepts of Descartes and Spinoza.

Looked at from the purely philosophical point of view, we must immediately point out that, despite his criticism of Lenin, even then he remained a supporter of dialectical materialism. In no case did Zhelev criticize the concept that matter was "objective reality" but only the relevance of this concept in terms of its definition. Furthermore, he quoted against Lenin—Lenin himself and the materialistic basic law to the effect that awareness was a "late product" of the development of matter. This was possible because inherent in Lenin's philosophy are internal contradictions, and the Bulgarian philosopher, without suitably realizing it, refuted them more "as a guess."

Zhelev's criticism concerning Lenin, which was part of a debate on matter that broke out in the second half of the 1960's in the "people's democracies," was familiar to the Western specialists in East European philosophy and made its way into scientific publications.<sup>9</sup>

Zhelev's second important theoretical accomplishment is his study of fascism. In this study the author deals with the total phenomenon, in general, although he takes as an example essentially German national socialism and Italian fascism. He gave priority to the "merger of the state with the party," and the collapse of all social life as well as the fact that this encompassed all social and age groups. Naturally, this also affected communism to a much greater extent. That is precisely why this book was, is, and will remain a story of communism. In the light of recent events, it proves that the breakdown of communist totalitarianism shows a clear similarity with a description of the breakdown of the Franco regime in Spain, so that it could also apply as a projection, with the incidental remark that in Eastern Europe this takes place not through a military dictatorship, which, according to

the author, took place in the replacement of the Falangist regime in Spain, but through restructuring as a "transitional part" in the development from totalitarianism to a liberal democracy, as Zhelev himself writes in his preface to the second edition.<sup>10</sup>

In the past few years, Zhelev addressed himself to the hot topics of current politics. Because he had to take direct action quickly, Zhelev was able to shape his thoughts only in the form of a short thesis. Let us mention here, above all, his programmatic work "The Great Time of the Intelligentsia," which defines the struggle of the intelligentsia against the "bureaucracy" as the main content of the process of restructuring, adding that this is possible because... "part of the bureaucracy itself—its most intelligent and perspicacious part—has realized that Soviet society needs radical changes in all areas of social life."<sup>11</sup>

Zhelev's study "Real Physical Space"<sup>12</sup> appeared in 1989. Also ready for publication is a manuscript dealing with the rehabilitation of the individual. Parts of this study were published some time ago in periodicals.<sup>13</sup> The breadth of his interests is impressive, however different the quality of some of his individual accomplishments may be.

### The Person

The originality of Zhelev as a person is found in the direct and rare combination of features within a single personality. He is a person of inflexible strength, gentleness, and a big heart. Typical of this tempered political fighter is a captivating tractability and responsiveness to human aspirations. Anyone who has been in contact with him of late would confirm that to this day he behaves in a friendly and informal manner with people, and even does not dare to send away visitors who turn to him with petitions and complaints that are obviously absurd.

Zhelev possesses a great deal of personal dignity. He is impermeable to insults and simply does not react to them.

With his independence and readiness for self-sacrifice, he instills respect in all Bulgarian people, who are, by nature, mistrustful and skeptical. The ordinary people instinctively feel that he is not guided by a thirst for power and an aspiration to stand out, features they suspect are present in some younger opposition leaders.

It is known—and this is something he has frequently repeated—that, both in the past and the present, science has remained his great passion and that he will remain in politics only until the foundations of democracy have been strengthened.

The author of this study, who, as a fellow student and university colleague, has met with Zhelev on a daily basis and has had discussions with him, can claim that the present Bulgarian president of the Republic is a "complete man," for whom convictions and a way of life are



one and the same. Zhelev has frequently and bitterly complained to this author about the pettiness of many intellectuals and, with a sense of mild irony, felt amused by their inimitable art to find justifications for their opportunism and inaction.

Another interesting combination of qualities is that of his level of education and his personal modesty. It can be clearly seen that he deals with ideas and not with the bearers of such ideas.

Actually, this is the other side of his originality: Zhelyu Zhelev is not an exceptional figure. He is not a captivating eloquent speaker or brilliant stylist. Weak formulations and reactions are not his style. In an interview, Zhelev said that his motto is, "Who if not you, and when if not now?"<sup>14</sup> This elliptical expression, which reflects full personal responsibility and irreversibility of reality, is the portrait of the entire Zhelyu Zhelev. Today he will be gauged according to this maxim. His initial steps as president give us the right to assume that he will give the best of himself under the present not all that favorable circumstances in order to open Bulgaria's way to a pluralistic society.

#### Footnotes

1. See Academician Todor Pavlov, "On Creative-Marxist and Internationalist Positions," *FILOSOFSKA MISUL*, No 1, 1967, p 24.

2. See Zh. Zhelev, I. Dzhadzhev, and P. Uvakov, "For the Philosophical Definition of Matter," in the *GERMAN PHILOSOPHY PERIODICAL*, No 5, 1964, pp 633-635. The other two authors signed the article in order to help Zhelev because, in the eyes of the East Berlin editors, "collective positions" were considered something positive in themselves.

3. See Zh. Zhelev, *Fascism*, Sofia, 1982.

4. See Zh. Zhelev, "Some Notes on the Subject of V.P. Chertkovo's book *Nonantagonistic Contradictions in Socialism*," in *VOPROSY FILOSOFII*, No 10, 1958, pp 147-150.

5. See V.I. Lenin, *Works*, Vol 14, Berlin, 1975, p 124.

6. See Zh. Zhelev, I. Dzhadzhev, and P. Uvakov, op. cit., p 635.

7. Op. cit., p 633.

8. This argument is found in a long, unpublished draft of the article, which is at present unavailable to us.

9. See Helmut Dam, *Torture on One's Knees. The Crisis of Marxism, the Marxist View of the World and Man*, Olten and Freiburg, Breisgau, 1969, p 110; see also Asen Ignatov, "Philosophy of the Rear Guard. Differences Between Dogmatists and Revisionists in Bulgaria," in *STUDII V SUVETSKIYA LAGER*, No 16, 1976, pp 40-45.

10. See Zh. Zhelev, *Fascism (A Totalitarian State)*, Sofia, 1990, p 8.

11. Zh. Zhelev, "The Great Time of the Intelligentsia," in *NARODNA KULTURA*, 22 July 1988.

12. See Zh. Zhelev *Realnoto Fizichsko Prostranstvo [The Real Physical Space]*, Sofia, 1989.

13. Zh. Zhelev, "The Civil Personality," *PLAMUK*, No 5, 1990, pp 3-36.

14. See Emiliya Antonova-Konstantinova, *The Leaders of the Union of Democratic Forces and The Winter of Our Discontent*, Sofia, 1990, p 41.

#### Opinion Poll of Intellectuals on Political Personalities

91BA0062A Sofia DEBATI in Bulgarian 16 Oct 90 p 10

[Article by Mila Geshakova: "The Ideal Government: As Yet, No Photograph in Its Passport. Survey of 128 Members of Intellectual Circles Interviewed by Telephone Last Week"]

[Text] It is precisely now that a clear opportunity exists to take an instant photograph of the attitude of the intellectuals toward Bulgarian statesmen. The times are such that the solution of even the most difficult cases in politics is being sought in the logic of social dynamics. Forward or backward: At this point, forecasts are unnecessary. Sociological soundings, although they may be following this logic, present surprises.

The second rating of DEBATI, which sought the expert evaluation of 200 leading personalities in the country's social life, caused a sensation. The portrait of these people is defined by their socioprofessional characteristics: They are economists, businessmen, managers, professional politicians, diplomats, high-ranking officers, technocrats, university teachers, scientists, writers, actors, and journalists. Unlike the first rating, in which 151 persons responded to an invitation to be interviewed, there were fewer people willing to present their ideas of an "ideal government" in terms of specific individuals. According to reliable information, one out of three who participated in the survey consulted, before answering, his like-minded colleagues, members of the "elite." Only two delicately refused to participate.

This study is not a newspaper trick. The method of telephone interviews has long been part of sociological techniques that provide, quickly and promptly, the necessary information on the problems on which public opinion is targeted—the "third force" after the official authorities and the information media.

The second DEBATI rating is significant in terms of its orientation in the direction of the experts, who, by virtue of their social reputations, social contacts, and competence can sum up the moods and states of mind of broad social circles in a concentrated fashion. The surprise came from the fact that their level of information, as

well, failed to provide a satisfactory answer to the question of who are the men in government who, in their view, would be most suitable to become ministers in an "ideal cabinet," as sought by DEBATI. But let the figures tell the story.

The answer to the specific question of "who are the people most suitable to assume the heavy burden of responsibility for the way to be followed by the country in the immediate future" leaves a great many unknowns. The government is already functioning, but is it in its best possible variant? What is shocking is that the representatives of the 128 experts were quite clear and categorically in favor of three basic political figures considered by them to be "influential and reliable" in Bulgarian political life. Zhelyu Zhelev is named as the unquestionable leader not only as a personality but also as a statesman by those interviewed (73.3 percent). Second in the ratings is Atanas Semerdzhiev for the position of vice president; 61.3 percent of the experts claimed that he is most suitable to hold this position. And third in the classification is Andrey Lukanov for prime minister, with 58.7 percent of the vote.

Most sociological studies of this kind have emphasized, so far, personalities who move within the trajectory of social recognition and who have gained a reputation and social prestige through their activities. All of this would have been entirely adequate had the ability to make statesmanlike decisions, particularly during this time that is crucial to the country, been based entirely on personal qualities and widespread recognition. Indicative in that sense is the first DEBATI rating (No. 7, 9 October 1990), in which the rating "approval" concerning the personality of the chairman (70.4 percent) was the closest possible to the evaluation, of the experts of his qualities as a statesman (70.3 percent) reached in the present study. There has been a greater disparity in assessments concerning Vice President Atanas Semerdzhiev—52.3 percent "approval" in the first rating, while now only 61.3 percent of the experts consider him to be most suitable for the vice-presidential position. Prime Minister Andrey Lukanov received a 49.7-percent "approval" rating the first time and 58.7 percent the second, in terms of being prime minister. The disparity is obvious in the view about the prestige of the individual and the importance of the position. As a whole, however, high ratings of the professional qualities and abilities gravitate around these three political personalities, who enjoy the respect of the intellectual elite.

The paradox that is found in the following data probably dates from the past and is presented in a complex equation with a number of unknowns. Between 48 and 74 percent of those interviewed are unable to name specific individuals who could assume crucial positions in an "ideal government." Thus, according to the data, six ministries would remain without leading figures, and, inasmuch as names are mentioned, they enjoy support of no more than 20 percent of the respondents.

The circle is closed with the mentioning of 24 politicians, deputies in the Grand National Assembly, and cultural workers, known to the public as the heads of political parties and groups and from their statements in parliament or in the mass media. What is astounding is that most of them enjoy extensive social support as figures in political life but lose in points in the view of the experts relative to the ideal statesman. This leads to the contrast between popularity and the framework of a governmental position. For example, Petur Dertliev had a 49.7-percent approval rating and is on the list of the 10 most respected and reputable individuals in our country; however, as a member of a government team, his name was mentioned by no more than 4.4 percent of those polled (for president) and 4.7 percent (for minister of foreign affairs). The same applied to such a very popular and loved individual as Petur Beron—64.2 percent "approval" rating but only 3.3 percent for the position of president (2.7 percent for the position of vice president). Viktor Vulkov had a 49.0-percent approval rating, but only 5.3 percent of the respondents considered him a likely minister of foreign affairs, and so forth.

The experts consider people already elected to ministerial positions more suitable, but, according to the previous study, these individuals did not enjoy any broad social support. The fact that those interviewed stressed the names of these individuals is due to the belief that these popular individuals and their public image are having a greater impact outside the formal legitimate structures.

A sign of a certain underestimating of the very status of the institution of the presidency is found in the view of some of the respondents, though only a small part of them, that, of the ministries listed in their ratings, those of economics and planning and culture should be closed down. At the same time, the variants concerning the management of these two units seem to be the richest in terms of specifically identified people. Most clear predictions and prejudices apply to individuals who would assume the leadership of the economy and, in this sense, political figures who enjoy a certain advantage are two: SDS deputies Ventsislav Dimitrov and Ivan Kostov.

The record for the most frequently mentioned statesman is held by Ivan Kostov. His name may be found in the item "most suitable prime minister" (3.3 percent), "minister of finance" (5.3 percent), and "minister of economics and planning" (20.0 percent). Statistics make it clear that obviously the experts like to deal with the financial problems of the country because it is there that the fewest answers "unable to assess" are found. The alternative to Ventsislav Dimitrov for minister of finance (20.0 percent) is interesting. According to the data, the present minister, Belcho Belchev, is virtually eliminated for this position (20.7 percent).

The lack of a concept of a capable statesman cannot be replaced by brief variants of expert thoughts. The positions exist, but the most suitable individuals to fill them are unknown. This is understandable because, for quite

some time, we had no truly functioning government, and the hope in some circles of a government of national consensus failed. The short time and the extreme conditions in which to create a team of professionals that carry a certain social weight was a test of the trust in this institution, which did not enhance its rating not because of the lack of capable individuals but because of the lack of a managerial image. In other countries, the development of such an image involves work.

Also important is the fact that, at present, society is finding it difficult to leave behind it the feudal caricature of sociopolitical life; it is as though it is not seeking a more democratic leader but a person who could prove that governing the state means more activity and responsibility than an assembly of administrations with diminishing functions....

The sociological survey conducted by DEBATI does not indicate any specific approach or variety in the choice of ideal statesmen. Today the political stage is broad, but some of the characters somehow become lost in the monolithic nature of the "Greek chorus." Is it possible that time will once again single out the soloists?

**Who is your choice for president?**

Zhelyu Zhelev	73.3
Someone else, name not given	11.3
Someone else, name given	8.0
Petur Dertliev	4.0
Petur Beron	3.3

**Who is your choice for vice president?**

Atanas Semerdzhiev	61.3
Someone else, name not given	11.3
Someone else, name given	8.0
Chavdar Kyuranov	4.0
Petur Beron	3.3

**Who would be the most suitable prime minister?**

Andrey Lukanov	58.7
Someone else, name not given	20.7
Someone else, name given	11.3
Dimitur Ludzhev	6.0
Ivan Kostov	3.3

**Who would be the most suitable minister of foreign affairs?**

Unable to make an assessment	72.7
Lyuben Gotsev	12.0
Viktor Vulkov	5.3
Petur Beron	5.3
Petur Dertliev	4.7

**Who would be the most suitable minister of internal affairs?**

Unable to make an assessment	73.0
Pencho Penev	22.7
Petko Simeonov	4.0

**Who would be the most suitable minister of culture?**

Unable to make an assessment	67.3
Dimo Dimov	17.3
Blaga Dimitrova	10.0
Elka Konstantinova	4.0
There should be no ministry	1.3

**Who would be the most suitable minister of defense?**

Unable to make an assessment	67.3
Yordan Mutafchiev	16.7
A civilian	9.3
Dimitur Yonchev	6.7

**Who would be the most suitable minister of finance?**

Unable to make an assessment	48.0
Belcho Belchev	20.7
Ventsislav Dimitrov	20.0
Rumen Georgiev	6.0
Ivan Kostov	5.3

**Who would be the most suitable minister of economics and planning?**

Unable to make an assessment	61.3
Ivan Kostov	20.0
Ventsislav Dimitrov	8.7
There should be no ministry	7.3
Ivan Tenev	2.7

## HUNGARY

### Paper's Ownership Change Complete: 40 Percent French

91CH0205A Budapest MAGYAR NEMZET  
in Hungarian 1 Dec 90 p 3

[Article by (k.b.): "Fate of MAGYAR NEMZET Decided: Corporate Founding Charter Signed"]

[Text] There was neither a cake with whipped cream, nor French cognac, nor French champagne at Friday's international press conference held at the Gerbeaud Pastry Shop. It dealt with the privatization of MAGYAR NEMZET, and it sealed the fate of our newspaper. Not even tears of joy were shed in the room which was filled to capacity. Nevertheless, the irreversible was announced with a satisfied smile by Pallas Newspaper Publishing Enterprise president Lajos Horti. Just prior to the press conference, all concerned parties signed the founding



charter of the stock corporation which agreed to publish our newspaper from now on. Horti stressed that as a result of privatization, a long protracted issue was resolved. He recalled the fact that the entire Hungarian press gave undivided attention to the manner in which the fate of MAGYAR NEMZET took shape, and said that "the signing of documents took place to everyone's satisfaction."

The legal counsel for the Magyar Nemzet Foundation expressed his belief that it was hoped that henceforth the ship of this newspaper will sail toward less turbulent waters. In correcting the previous speaker, the legal counsel pointed out the fact that privatization was not resolved on this occasion because a limited liability corporation [Kft] established for the publication of the newspaper has existed ever since last December. Attorney Dr. Tibor Kun said that with the agreement of all parties they developed a new structure last week, and as a result, a stock corporation was formed for the publication of MAGYAR NEMZET. It will gradually take over the functions of the Kft. He also said that we were witnesses to, and passive subjects of, serious political skirmishes regarding this leading newspaper, while everyone forgot about business interests. He reminded the audience that the separate opinion filed by the Journalists' Foundation is primarily of a political character. Amid all these matters the business and legal issues had to be considered in the interest of the newspaper. Ultimately, the resolution of these issues provided a solution.

Speaking on the substance of matters, the attorney said that the capital stock of the corporation amounts to 135 million forints. Of this amount 55 million forints were paid in the form of foreign exchange, providing a 40 percent interest to the French party. In the course of negotiations, it appeared unclear why, in a rather objectionable manner, only Pallas was entitled to the trade mark. As a result of the negotiations, the goodwill contributed by journalists was recognized by the parties as a 20 percent capital stock contribution, while the remaining 40 percent was equally divided between Pallas and the Postal Bank. (The exact percentage distribution of shares is as follows: Herseant: 40.75, Pallas: 20.33, Postal Bank: 20.33, Magyar Nemzet Foundation: 18.59 percent.)

The attorney stressed that the person representing the Foundation will work as a member of the board of directors with the same authority as delegates of other parties, and further, the editorial office fought for, and achieved that it alone may propose candidates to the post of editor in chief. We learned that based on an internal agreement, the post of chairman of the board will be filled by a person designated by the French party, but the corporate board of directors may be convened at the request of any member of the board. The French had great difficulty in agreeing to the idea that the chairman of the board may be overridden by a vote of the board. This then counts as an achievement. In any event, the most important thing is for MAGYAR NEMZET to

regain its old reputation. At this point, it will be able to do so with the support of appropriate capital, and with the guarantee of political independence, the legal counsel said. He stated that an agreement was reached to the effect that all journalists may retain their jobs, and any future contract to be consummated regarding the journalists must represent an improvement over their existing contract. In order to preserve independence, an agreement was reached to the effect that the business organization will be unable to obligate journalists to write articles which are contrary to the journalists' views, the attorney said. He also indicated that in order to produce the newspaper under more favorable conditions, a printing capacity less costly than the present Hungarian printing capacity will be established next year. Further, the corporation will guarantee the establishment of new reporting locations, as well an opportunity to establish contact through large data bases. The attorney concluded by saying that as a result of all this, they managed to place MAGYAR NEMZET in a better business position than a majority of the present newspapers enjoy.

The unavoidable question was asked about a letter written by Katalin Bossanyi and 40 other National Assembly representatives belonging to various political parties. The letter was addressed to the State Property Agency. The attorney responded by saying that the State Property Agency had no jurisdiction in this matter. Pressed whether the newspaper was sold below its worth, the attorney gave a terse response: No sale or purchase was consummated, a new stock corporation was formed.

On behalf of the large group of people who appeared at the press conference from the Herseant Group, Henri Morny had this to say: By signing the document they closed down the past, and opened the door to the future. Morny argued that their firm established a foothold in Hungary under the sign of internationalization, just as it had in Spain and in Portugal previously. Those who think that the firm is guided by political considerations will be disappointed. He charted the firm's task as the joint establishment of a great Hungarian newspaper, with which they will contribute to Hungary's integration with Europe.

Corporate Board Chairman Tamas Sebestyen (previously the director of the Paris L'EXPRESS) introduced himself by emphasizing full respect for traditions, and expressed thoughts concerning the importance of not changing the profile of the newspaper. A change in profile would result in losing the newspaper's highly regarded readers. At the same time he cautioned against excessively increasing the number of copies published, because this would result in changing the character of MAGYAR NEMZET to that of a boulevard newspaper. Sebestyen said that he ruled out the possibility of the newspaper committing itself to any major political party, or adjusting its political outlook to some political party. "Party newspapers" are not viable, Sebestyen opined,

their group does not even publish such newspapers, and they will not experiment with this kind of publication in Hungary either.

Asked why they insisted so much on "getting hold" of MAGYAR NEMZET, the French tersely stated: "Because MAGYAR NEMZET is the best Hungarian newspaper!" Morny ventured to crack a joke by saying that many marriages based on love end in divorce, while many marriages based on selfish interest end up in love affairs. Responding to another question Morny said that "neither today, nor tomorrow will the government manufacture MAGYAR NEMZET," then added that obviously his reference was not intended to apply to the Hungarian Government. To the contrary, Morny underscored the fact that in countries where they established an interest thus far, the respective governments never interfered with the writing of their newspapers. In answering the final question as to whether acquiring MAGYAR NEMZET constituted a business or a prestige matter, Morny argued that according to the unequivocal statements of Hungarians residing in Hungary and abroad, MAGYAR NEMZET is a newspaper which serves as a reference, and their group publishes only quality newspapers, including the "number one" French daily newspaper. Morny said that it was their intent to develop a European quality newspaper network, and that they also had taken steps toward this end in Poland.

On behalf of the Foundation's board of trustees, Istvan Javorniczky read the full text of the position taken by the editorial office. This was an important moment at the press conference. The full text of the statement is published below. Also on behalf of the Foundation's board of trustees, Istvan Boros announced that members of the board of trustees will resign their offices following the development of a new structural order.

#### **Statement of The Magyar Nemzet Foundation Board of Trustees**

We did not win, but despite this, we are confident that the newspaper will not lose out. This is the way we are able to summarize what happened and what is happening to us.

The background is known, we will not waste words to recall past events. We continue to disagree with the idea that contrary to proclaimed democratic principles, the political sphere exceeded its authority that the prime minister and certain groups within his ruling party used their influence regarding a competitive "business," the way this took place in our case. Quite naturally, the fate of MAGYAR NEMZET was decided pursuant to their perceptions.

The fact is also known that the other two members of the Kft. made their decisions in total disregard of the view held by a majority of the journalists. We feel that this proceeding was immoral and humiliating, but since there is no court to adjudicate morals, we were forced to use legal recourse in order to have our truth prevail. We knew that our situation was almost hopeless. Meanwhile,

authorized by a majority of the journalists, the board of trustees tried to persuade the decisionmakers to find a third solution; perhaps with the help of readers, Hungarian financiers, and entrepreneurs, we could achieve a situation in which the entire newspaper remained in Hungarian hands. These attempts failed in the face of resistance manifested by the above mentioned political forces, and by their stubborn insistence on enforcing their original position. Whether the editorial office as a whole would fall apart in the course of this windmill struggle raised concern. Thereafter the newspaper could lose the sympathetic attitude and interest of its readers. As a result of circumstances presented by obsolete technology, our daily publication was endangered more than once, and amid growing competition between daily newspapers, our chances of preserving our previously won rank and place were reduced.

We did not use legal or economic means, or exercise power. Appealing to the public was the only opportunity available to us. This proved to be insufficient to have our truth recognized, nevertheless these efforts were not entirely fruitless. Perhaps we may credit these activities for having the partner who was chosen for us to recognize certain conditions favorable from our standpoint, and which hopefully, will enable the preservation of the spirit of MAGYAR NEMZET, and the continuation of its traditional outlook at a higher level. This, in spite of the fact that ultimately, we were left with no other choice. The guarantee for such preservation and continuation is an agreement concerning independence. Both parties recognize this agreement as binding from their respective points of view. This agreement will vouch for the independence and standing above partisan politics of the editorial office.

Our original intent called for participants in the publication of the newspaper to regard their involvement as a business venture. It appears that we succeeded in achieving this to the extent possible.

Accordingly, a majority of the employees of this newspaper are far from euphoric in recognizing the consummation of this business transaction. Nevertheless, this recognition is made after a sober evaluation of the most important interests of the newspaper and of its readers. This recognition is made with the hope that MAGYAR NEMZET may be what the contract specifies it should be, and what its best traditions authorize it to be: A daily newspaper which is independent of political parties and the government, an unbiased, objective newspaper, which regards the provision of moderate information as its obligation.

This is not a day of boundless happiness, it is not an unclouded holiday of joy, but perhaps it is still a day in which MAGYAR NEMZET can find itself, and which is the beginning of MAGYAR NEMZET reclaiming its old name.

The members of the Magyar Nemzet Foundation board of trustees: Peter Balla, Pal Bodor, Istvan Boros, Imre

Csatar, Laszlo Csaszar Nagy, Istvan Javorniczky, Jozsef Martin, Gabor Muranyi and Laszlo Vida—hoping that with this piece they will ensure a harmonious future cooperation between the employees of this newspaper and members of the corporation, announce their intent to resign their offices after the future elected editor in chief of MAGYAR NEMZET begins his work, and after the new structural order is developed.

#### State Secretary on Foreign Relations, Goncz

91CH0205D Budapest BESZELO in Hungarian  
24 Nov 90 pp 5-6

[Interview With Foreign Ministry State Secretary Tamas Katona by Attila Ara-Kovacs; place and date not given: "Where We Stand on Foreign Policy"]

[Text] [Ara-Kovacs] Certain cabinet members are making peculiar statements which have clearly damaging effects on our foreign relations, including our economic ties. Under such circumstances, to what extent could we regard Hungarian foreign policy as open?

[Katona] I do not share the view which holds that our sphere of action has narrowed down, because, for example, the cabinet is aware of the extreme importance of Hungarian-Soviet relations from the standpoint of Hungary. We will be the neighbors of a great power, regardless of how the future Soviet situation evolves. Compared to ourselves, even the Ukraine constitutes a great power. And we are also aware of the fact that Western investors do not come to Hungary for the sake of 10 million Hungarian consumers, but because they are attracted by the laudable political stability of Hungary. This cannot be said of our neighbors. At the same time, Hungary also constitutes a kind of lock chamber. From this place it is possible to enter the 60-million Ukrainian market and the 260-million Soviet market, both of which will open up sooner or later. I repeat, it is my firm view that Hungary must maintain the best possible relations with the Soviet Union. It must not be satisfied with mere proper good neighbor relations. Unfortunately, at the same time I feel that the cabinet did not do all it should have done in this regard. I also sense a certain concern in Hungarian-Austrian relations, I definitely sense tension in Hungarian-Soviet relations, and I mostly feel that the entire government has become extremely bureaucratic because of its overload. In the course of this, it forgot about one of its most important duties: To inform the public of all that is taking place in and around this country. This is an adult country, an adult nation, capable of taking note of even the worst news, provided that such information is clearly conveyed. People have not lost interest in democracy. They simply have become uncertain, because they have no information they can regard as authentic.

[Ara-Kovacs] Realization of a unified Europe in the short-term increasingly appears as an illusion. What kinds of security guarantees would a possible policy of neutrality have to take into consideration?

[Katona] Thus far we tried to avoid even the mention of the "neutrality" concept. Neutrality would mean our exclusion from European processes. It would mean isolation, as a result of which Hungary would become a country like Hitler's Germany or Ceausescu's Romania. Not only do we not want to be such a country, but we do not even want to see such countries in Europe. I regard the actual European processes as highly encouraging. As a result of these, our foreign policy is supported by a set of arguments that are much more useful than the earlier reference to military doctrines. It is clear that Europe accepts only those countries which comply with certain conditions; this is the essence of the set of arguments I just mentioned. We complied with these conditions, thus we acquired a full right to take our place in the Council of Europe. This path is also open to the rest of the states. Thank God, Europe ties the opportunity for joining to conditions, not to promises at last. I feel that if Hungarian foreign policy may be regarded as successful in some respect, this success may be seen in these processes. Just consider the important role we played in the Vienna disarmament negotiations.

[Ara-Kovacs] What are the chances for Hungarian foreign policy to represent the peculiar Central-East European "regional" interests, and not only Hungarian interests?

[Katona] In discussing this matter we must not forget about the five-member "organization" called Pentagonale, which may have six members later on when Poland becomes part of it. This organization could perform serious infrastructural and environmental protection functions. The Pentagonale came about in a relatively organic and natural fashion, and its members cooperate accordingly. This demonstrates from the outset that this region indeed has concerns which may be resolved by, and are worthy of, joint action. Also apparent is the fact that Czechoslovakia, Poland, and Hungary went farthest in the process of democratization. Poland, of course, does not truly belong to the Pentagonale in the strict geographical sense. Poland plays a very natural, important role in the Baltic region. It is also true that while playing its role in the Baltic region, Poland is also very inclined to cooperate with us. Consistent with this endeavor, Prime Minister Jozsef Antall repeatedly encouraged Polish participation in the Pentagonale. On the other hand, we do not want to establish an institution out of Czechoslovak-Polish-Hungarian consultations, because as soon as some block evolves from such consultation, some people may ask against whom that block was formed? Hungary has no interest whatsoever in providing grounds for such guessing games.

[Ara-Kovacs] It appears that the Pentagonale is based on a single, unclouded relationship between Italy and Hungary.

[Katona] The greatest variety of countries takes part in the Pentagonale. Some, like Italy, belong to a certain economic community. Then there are others like Austria, which are presently trying to rid themselves of their



once happily declared neutrality. And last but not least, there are countries like Yugoslavia, which belong to the noncommitted group of nations. Indeed, the Hungarian viewpoint in the framework of Italian foreign policy came to the forefront when the Northern Italians—De Michelis, and the outstanding Ambassador to Hungary, Joseph Nitti—took the direction of matters in their own hands. We must take advantage of these opportunities, while keeping in mind not only our own interests, but also the interests of the entire region. We are dealing with railroad and highway construction, and with some very serious environmental protection issues after all.

[Ara-Kovacs] In recent times the Defense Ministry took certain steps which may be regarded as foreign policy measure. Is there coordination between the two ministries in such instances?

[Katona] Cooperation exists, more or less. As far as a specific example is concerned, the meeting of the Hungarian and the Romanian defense ministers produced the result that a Hungarian government delegation could be present after all in Arad on 6 October. Yes, various specialized ministries must be active in foreign affairs, particularly in regard to countries with which frictions and tensions exist in our relations.

[Ara-Kovacs] How are the functional assignments divided between the head of state and the cabinet, insofar as foreign affairs are concerned? Recently, we frequently heard views which held that the cabinet would gladly yield the task of building East European relations to the head of state.

[Katona] God forbid! I am very fond of the head of state personally, but by having unexpectedly announced in Japan a meeting with Romanian President Iliescu, he walked into a trap just as Grosz did in 1988. It is wonderful to see the head of state assist in the conduct of foreign policy, but we must recognize that he is not supposed to formulate cabinet policies. Returning to the subject of our example, we learned that from the standpoint of Hungary it is worthwhile to negotiate with the Romanian party only if such meetings produce specific results. This is so because the attic is filled with empty promises. Many specific matters exist in which the ball is on the Romanian side. They could take the step that not only we are awaiting, but Europe as a whole is waiting for, and which is mostly in the interest of Romania. Deputy State Secretary Imre Szokai travelled to Bucharest on 15 November to lay the groundwork for further meetings. He took with him Arpad Goncz' letter to President Ion Iliescu. He should have waited with the statement he made in Japan in his capacity as head of state until we see the results of negotiations to be conducted by Szokai. If all conditions are fulfilled, Temesvar [Timisoara] would be the ideal place for such a meeting. The revolution started in that city a year ago, but I must underscore once again the fact that foreign policy is not formulated by the head of state, but by the cabinet. Along with other matters, it is the cabinet's responsibility to lay groundwork for meetings between

heads of state. As this example shows, efforts to coordinate do not always succeed. At the same time I am very well aware of the fact that the head of state may play a rather significant role in the framework of some hard to grasp relations, for the building of which an outstanding, radiant personality like Arpad Goncz is superbly suited. But his openness also makes him vulnerable.

[Ara-Kovacs] In recent years we often heard about the professionalism of Romanian politics, and the comparatively amateurish appearance of Hungarian diplomatic traditions. Do you recognize a change in this regard?

[Katona] I believe that Hungarian foreign affairs have been rather consistent under the Antall administration. We accurately stated that we want none other than the enforcement of principles that are customary in twentieth century Europe, neither more, nor less. On the other hand, for example, Romania changed its foreign policy concepts, and with that the persons who direct foreign policy. Romanian politics is struggling with very many troubles not only in Romania, but also in the framework of its external relations. This is why on occasion, vocal declarations dominate, while in other instances, realistic recognitions prevail. We are prepared to conduct any promising dialogue with Romania without prejudice. The only condition we establish in advance is that such dialogue should produce some practical result at last.

[Ara-Kovacs] To what extent do you regard as predictable the foreign policy conducted by neighboring countries?

[Katona] This is very hard to tell. Because, as we have previously discussed, the foreign policy of an isolated country is always highly irrational. Here we have a row of sad processes of disintegration. The centrifugal course taken by individual member republics both in the Soviet Union and in Yugoslavia makes it very difficult to be certain about our judgment. One frequently gets confused as a result of the extremely regrettable Czech and Slovak constitutional crisis; it is hard to tell with whom to negotiate regarding one matter or another. Just what falls under the jurisdiction of federal governmental bodies on the one hand, and of the governments of individual republics on the other is uncertain. As far as we are concerned, we try to prepare ourselves for all possibilities.

[Ara-Kovacs] Regarding Western conditions: In what ways does the cabinet try to make the German orientation of the economy, and the orientation of regional endeavors toward Rome acceptable to France, for example?

[Katona] Miklos Szabo, the outstanding personality of the Alliance of Free Democrats wrote not too long ago about the horrors of the German and French orientation of Hungarian foreign policy. But thank God, I feel that the French leadership recognized the fact that one may have more confidence in democracy than in the reflexes and the judgments of the old days. Hungarian-French

relations are better than ever as a result. We must learn from Western democracies how to "diversify" our foreign trade and our foreign policy. In other words, how to put our eggs in several baskets. Of course, one cannot contradict geographical and historical facts. We must be pleased by the fact that for instance, Germany is close to us and it is able to help not in the form of charitable donations, but through cooperation. This is the kind of relationship we would like to develop with others. Perhaps our efforts in France to this effect were successful. I am also confident that the trip I just took to Saudi Arabia made some sense from this standpoint. On the other hand, it is equally true that there are places where we achieved little success. The presence of the Anglo-Saxon world in Hungary is not sufficiently strong. This, however, does not depend on the cabinet, but on the usual, well-known lack of confidence manifested by Anglo-Saxon capital. It moves with difficulty and it does not like to make long term commitments. There also exist other opportunities which we were unable to truly explore: Holland, Spain, and the Nordic countries.

[Ara-Kovacs] Aside from opportunities which present themselves in parliament, to what extent are you prepared to cooperate with the opposition in formulating foreign policy?

[Katona] To the fullest extent. I was the one to invite members of the parliamentary Committee on Foreign Affairs, from both the majority and from the opposition. This also suggests that the so important national consensus is by no means impossible in foreign affairs. Intentions to this effect are identical on the part of all factions in parliament.

[Ara-Kovacs] I regard as self-evident the fact that you informed the Committee on Foreign Relations. This is your duty. But I am more interested to learn whether it would be possible to involve those in foreign policy implementation who do not belong to the ruling coalition? For example, in the case of diplomatic missions....

[Katona] Well, there were some examples of that, perhaps....but with suitability, not belonging counts in this regard. Let me refer back to those days in the opposition. As I recall, we all fought so that partisan political achievements would not be recognized in the form of diplomatic promotions. I believe that we in government must try to conduct ourselves in a manner consistent with our past, as members of the opposition.

[Ara-Kovacs] The government delegation will be in Paris when this interview is published. There is hardly any doubt that new international agreements are about to be signed. Based on your expectations, what factor will provide the highlight to this summit as compared to the usual events within the Helsinki process? What new decisions should we expect?

[Katona] We hope that this summit will prove once and for all that a Europe composed of blocks has ceased to exist. This is evidenced by the fact that agreements are reached which are to be signed by the nations of Europe,

and not by two power blocks. At last, this will represent a serious, spectacular step on the path upon which this continent wished to embark a long time ago in Helsinki. Our interest is focused on this very broadly perceived Europe because the whole of the Soviet Union is part of this Europe. I could say that half of Asia is part of Europe, and from this standpoint, the North Atlantic region, the United States, and Canada are equally part of this Europe, in a geographical sense. [as published]

Accordingly, Hungarian foreign policy is European, not because this is fashionable, but because Hungarian foreign policy may be regarded as modern only in this way. Also, the narrowly construed Hungarian interests may be served well and appropriately only by way of such policies.

### Law Governing Depoliticized Police Outlined

91CH0205C Budapest MAGYAR HIRLAP  
in Hungarian 4 Dec 90 p 4

[Interview by Karoly Lencses with Mr. Finszter, one of the authors of the proposal for the law governing the police whose first name, title, place of occupation are not given; place and date of interview not given: "The Big Issue Pertains to Military Order"]

[Excerpt] [passage omitted]

[Finszter] We used the apparent need to depoliticize and to demilitarize the police as our starting point. Insofar as depoliticizing the police is concerned, the significance of this matter hardly requires explanation. Incidentally, the legislative proposal provides that policemen cannot be members of any party.

[Lencses] On the other hand, the intent to demilitarize the police is barely expressed in the material.

[Finszter] It is difficult indeed to understand this intent directly on the basis of the material, and this is a shortcoming of the legislative proposal. One reason for this is that as of today, it is difficult to discuss the extent of demilitarization because the law on criminal procedure is slated for amendments, and this law provides fundamental definitions as to for instance the extent to which military order may be maintained within the service which fights crime. This much is certain however, it would be difficult to accept provisions by which superior officers could influence the work of a police expert or an investigator by giving directions.

Providing appropriate guarantees to citizens, while authorizing the police to apply constraint was regarded as an essential point in formulating the concept. This peculiar duality appears throughout the proposal, and it constitutes the guarantee for legality. Formulating the structure is not less important. I believe that a centralized structure and unified police force constitutes the condition for efficient operations today. This does not contradict the fact that local governmental bodies will also have a say regarding certain matters.

### **Peculiar Duality**

[Lencses] Are you not concerned that local governmental bodies, most of which are controlled by the opposition, will launch political attacks against you for the limited authority they receive?

[Finszter] We developed our position based on professional considerations, and we cannot accept situations in which we are attacked purely on political grounds. We expect to hear sober, professional arguments because we are convinced that in the present state of our development, only a concentration of the forces and the available means can produce results.

Returning to the basic principles, we also must take a position concerning the relationship between the Ministry of the Interior and the police. According to present perceptions we would maintain the relative independence of the police. This means that the police will be directed by the cabinet through the Interior Minister, but the Interior Minister will not be able to interfere with cases before state administrative authorities and with criminal proceedings. It is obvious, however, that he may have the authority to provide direction in other respects. At the same time, parliament and its committees will exercise oversight authority by having the Minister report regularly, and by hearing the National Police Chief prior to his appointment.

[Lencses] The fact that the proposal contains only a few general provisions concerning the function of police, while the provision which permits police dogs to walk the streets without a muzzle occupies an important place in the proposal is peculiar. What do you think?

[Finszter] Also we gave serious consideration to this matter. But let us start from the fact that it is the function of this law to establish constitutional foundations for police action. The most sensitive area relates to the use of constraint which grossly restricts citizens' rights in given incidents. Previously, in most instances, the police authorized itself to take such action. This is an untenable situation, the related regulation does not fit into the rules of conduct while on duty.

[Lencses] What explains the fact that the longest chapter deals with data management?

[Finszter] In this regard we adapted ourselves to international conventions, even though the provisions were based on a future situation, not on the present situation. Utilization of data bases is one of the most important tools for discovery in modern police forces. It is easy to abuse such data bases, therefore the conditions are stringent.

### **Sneaking In Is Prohibited**

[Lencses] On this occasion we can see some open rules for the use of secret service means.

[Finszter] Everyone is aware of the fact that the Hungarian police, together with all other police forces, utilizes special means and methods. No one admits this however, under any circumstance. The regulation of such means and methods by law cannot be further delayed however, because the essence of these means is to use them without the knowledge of the targeted persons while the use itself violates fundamental human rights. Surveillance, the use of informers, the secret search of premises, the use of listening devices, the opening of the mail, and the wiretapping of telephones may take place in general relative to suspected criminal acts which carry a penalty of more than five years in prison, or with respect to organized crime. We also tried to make clear that such methods may be used only if investigative results cannot be achieved otherwise, and if the targeted persons involved do not suffer a largely disproportionate disadvantage as a result. The fact that authorization of the use of such methods is within the jurisdiction of county courts, and the fact that the law provides for legal recourse, may serve as guarantees. Finally, let me dispel some concerns. These are exceptional methods, and even on the basis of a legislative authorization, the police will not be able to initiate investigations by secretly sneaking in through the entrance of an apartment.

### **Jewish Groups on Restitution for Nazi Injustices**

91CH0200C Budapest MAGYAR NEMZET  
in Hungarian 28 Nov 90 p 3

[National Press Service report: "Statement by Jewish Organizations: Compensation of Victims of Injustices Must Not Be Delayed"]

[Text] The undersigned Jewish organizations in Hungary find unacceptable a cabinet decision by which the settlement of issues arising under social security provisions and the labor law, as pertaining to victims of injustices between 1938 and 1945, will be postponed to a later date.

Nothing justifies the cabinet's action by which it handles the rehabilitation of persons who suffered deportation, forced labor, and internment, and of other victims of illegalities between 1938 and 1945, so as to create a disadvantage, distinct from the victims of other injustices that occurred later.

Beyond considerations of principle, the fact that the few survivors of that era are all over 64 years of age makes this discrimination particularly unacceptable from a human standpoint. Thus, all delaying action results in the deprivation of an increasing number of persons from the opportunity of receiving small pension supplements.

Based on all of the above, we call upon the cabinet to urgently change its position, and to begin paying pension supplements to victims of injustices that occurred between 1938 and 1945 simultaneously with restitutions made to others. Beyond this, we demand that the cabinet prepare a legislative proposal for indemnification as



soon as possible, and that it reconcile such proposal on a broad basis with the following affected representative organizations:

The National Representation of Hungarian Jews, The Budapest Jewish Congregation, The Rabbis of Hungary, The Cultural Association of Hungarian Jews, The National Association of Forced Laborers, The Hungarian Association of Jewish Students, The Hungarian Israeli Friendship Society, MUSZOE [expansion unknown], The Hungarian Holocaust Historical Memorial Committee, and B'nai B'rith.

### Briefing on Reprivatization, Local Authority

91CH0205B Budapest MAGYAR NEMZET  
in Hungarian 1 Dec 90 p 4

[Report on government spokesman's press conference by (dobszay): "Reprivatization and the Distribution of State Property Are Not Negotiable Paths"]

[Excerpts] Yesterday morning the government spokesman's press conference began with a long-awaited announcement. After a largescale operation by the printing press on Thursday night and on Friday, 1,300 copies of the five-volume proposed budget were completed. Invited guests provided information concerning the two most important topics of Thursday's cabinet session. The State Property Agency managing director, Lajos Csepi, reported on guidelines for next year's property policies. The principles discussed by the cabinet may produce a National Assembly resolution which defines the most important goals of, and solutions for, policies related to ownership within the framework of existing law. The document underscores the need for market oriented privatization, i.e., it does not regard reprivatization, or some kind of distribution or redistribution of state property, as a path that can be travelled. The guidelines state that in 1991 it will be appropriate to provide state property without compensation only to social security. The framers of the plan recognize the significance of attracting foreign capital in the ability to comply with debt service obligations, among other matters. They intend to use privatization revenues to the extent of 85 percent for this purpose. They intend to draw limits for foreign capital investment only in places where traditional production protected by trade marks is pursued, or where special natural features are available to Hungarian businessmen.

Interior Ministry State Secretary Imre Verebelyi reported on the status of legislative drafting relative to the functioning of local governmental bodies. Prior to that, Balazs Laszlo publicly corrected a statement he made yesterday which held that the cabinet would not transfer authority over public guardianship to local governmental bodies, but would establish a board of guardians instead. While Balazs gave the interview, the cabinet reversed itself and accepted the former alternative, meaning that in the future, public guardianship will be under the authority of local governmental bodies. After

Monday's reconciliation of interests concerning jurisdictional divisions, the cabinet developed the concept it will submit to parliament. Accordingly, all areas of authority related to local settlement policies will be exercised by the elected bodies. At the same time, the framers of the proposal also viewed favorably the performance of certain state administrative functions at the local level. The needed authority will be assigned to town clerks.

Consistent with the already submitted legislative proposal, the cabinet also recommends the establishment of several new national organs.

Offices of the National Labor Affairs Center, at the county and lower levels, will provide labor force management information and perform organizing work. In addition, there will be agricultural affairs offices in counties and in the capital, and a superintendency for consumer protection will be formed. The professional regulatory aspects of tasks related to public health and to protection against epidemics will be performed by a public health service and a corps of physicians independent from local governmental bodies. [passage omitted]

Considering the fact that a thorough review of, and the preparation of, new rules for the pension system requires more time, the cabinet is already promulgating changes at this time. Last April, the Constitutional Court set aside rules pertaining to widows' pension payments because they contained discriminatory language as to genders. The new rules provide that the surviving spouse—not only a widowed woman, but also a widowed man—is entitled to receive eight months of widow's pension payment to the extent of 60 percent of the gross income of the deceased spouse (as compared to 50 percent thus far). Beginning on 1 January, the number of years of service required for entitlement to an old age pension will be increased to 20 years. Persons eligible to receive old age pension under the new rule, but without a 20-year employment relationship will receive reduced pension payments only. This measure is advantageous from the standpoint of women, inasmuch as those who gave birth to children prior to 1968 will receive credit for one year of service for each child born. To harness excessively high pension payments, the cabinet decided to reduce the amounts in each bracket of monthly average earnings which serves as the basis for the calculation of pension payments.

Thursday's cabinet meeting also dealt with next year's monetary and credit policy guidelines. The president of the National Bank will provide a detailed briefing in this regard next week. The spokesman stressed in advance that the convertible currency balance of payments improved by \$1.5 billion. In the future, the government intends to place business organizations which operate with foreign participation under the law concerning professional training, i.e., these firms will have to contribute to the expansion of the professional training fund.



The Council of Ministers rendered a decision concerning the transformation of the National Savings Bank [OTP] into a stock corporation. As a result of this change, the OTP will perform activities not related to financial institutions under the new organizational form. The Council of Ministers also changed the status of the Sports Betting and Lotto Directorate. From now on it will be a state corporation. Thus, the profits made by this organization will add funds to the state coffers. As a result of another decision, a National Technological Cooperation office will be established. [passage omitted]

## POLAND

### POLITYKA Weekly News Roundup: 18-24 Nov

91EP0118A Warsaw POLITYKA in Polish  
No 47, 24 Nov 90 p 2

[Excerpts]

#### National News

On 14 November 1990, the ministers of foreign affairs of Poland, Krzysztof Skubiszewski, and of Germany, Hans-Dietrich Genscher, signed a treaty confirming the boundaries between the two states, whose course was defined in the pact of July 1950 between the Polish People's Republic and the GDR and in agreements concluded later (the agreement of May 1989 on the separation of the maritime areas in the Pomeranian Gulf, the pact of December 1970 between the People's Republic of Poland and the FRG). Article 2 of the Treaty says: "The agreeing parties declare that the boundary existing between them is inviolable now and in the future, and they obligate themselves mutually to respect absolutely their sovereignty and territorial integrity."

Strikes continue. Others have been announced. Some of the city transit enterprises were affected by protest actions; the strike in Krakow continued. The miners have announced they will strike. [passage omitted]

The Social Democracy of the Republic of Poland (SdRP) has published a declaration protesting against the law on the confiscation of the assets of the Social Democracy of the Republic of Poland passed by the Sejm. "It is an act of political revenge that burdens the people of the left with collective responsibility for the past." "This dangerous precedent," the declaration states, "reveals a tendency to eliminate opposition groups from political life, to a selective understanding of political pluralism."

GAZETA GDANSKA reports that the would-be candidate for the presidency of the Republic of Poland, Boleslaw Tejkowski, the chairman of the so-called Polish National Commonwealth-National Party (PWN-SN), told the ambassador of Iraq in Poland: "In the name of freedom and the unity due each nation and country, we recognize Iraq's right to Kuwait as part of Iraq. Poles know the tragedy of the division and partition of the fatherland. These same forces inspired by Jewish nationalism that reject Iraq's right to Kuwait deny Poland's

right to Pomerania and Silesia and have sold out our national territory to foreigners."

Minister Piotr Kolodziejczyk announced at a press conference that the Polish Army will have 230,000 to 250,000 soldiers; it will not belong to either of the European military pacts (the Warsaw Pact or NATO). It will be prepared exclusively to defend Poland. There will be four military districts: Pomerania, Silesia, Mazury, and Malopolska, which in case of war would constitute four armies. The minister declared that he is personally opposed to sending Polish forces to the Persian Gulf except under the United Nations flag.

The Liquidation Commission of the Workers' Publishing Cooperative announced an unlimited auction for two popular dailies: ZYCIE WARSZAWY with an opening bid of 35 billion zlotys and EXPRESS WIECZORNY, 16 billion zlotys. In evaluating the offers, other conditions of purchase will be taken into consideration. Among them are ensuring stable employment, continuity of publication, development plans, etc.

The weekly NIE has described the housing conditions of Minister Aleksander Bentkowski in Rzeszow prior to moving to Warsaw and has questioned the minister's moral right to a permanent Warsaw apartment. TRYBUNA has published a letter from nine residents of Glogow who say, among other things: "In our feeling you are in conformity with the regulations, but morally that agreement is doubtful. This gives rise to a dilemma: whether a man who acts in this way should stand on guard for the law?"

Aleksander Hall has been chosen chairman of the main administration of the Forum of the Democratic Right (FPD). The deputy chairmen are Michal Wojteczak and Henryk Wozniakowski.

Over the course of the first 10 months of 1990, 62,315 apartments have been turned over for use by the socialized construction industry, 3,884 fewer apartments than during the same period of 1989. The best results were achieved in Bydgoszcz Voivodship, the worst in Sieradz Voivodship (a decline of 44.8 percent).

Retail prices for consumer goods and services rose in October in comparison with September by an average of 5.7 percent. Among them, food prices rose by 5.1 percent; alcohol, 3.3 percent; nonfood articles, 6.3 percent; and services, 6.4 percent. In Lodz, the DZIENNIK LODZKI reports that the prices of meat and sausages have risen recently by an average of 3,000 zlotys per kilogram, that of butter by nearly 1,000 zlotys per block. Ementhaler cheese cost 20,000 zlotys per kilogram.

The president signed the law on land sales he had previously questioned. After the president's intervention, the Sejm amended the law: introducing parliamentary control of the sale of land to foreigners. Each year the minister of internal affairs is to report to Sejm on these sales.

The press spokesman for the Ministry of Foreign Affairs judged the comments of the ambassador from the USSR in an interview for SZTANDAR MŁODYCH "unfortunate." The ambassador spoke of "former German lands" and of "homes that formerly belonged to Germans" and said that the Soviet military "ensured Poland that land." The comments concern the recovered Polish lands.

The Appeals Court in Warsaw upheld the decision of the Voivodship Court ending the temporary arrest exercised by the prosecutor against Mirosław Milewski, a former minister of internal affairs, and others. They are suspects in a case known by the pseudonym "Iron" (illegally purchasing expensive items for the Ministry of Internal Affairs). The court did not find crimes by the suspects consisting of giving and receiving material benefits of great value by exploiting the official positions they held. [passage omitted]

The proposed law on orders and awards developed by the president's chancellery calls for the restoration of the Order of the White Eagle as the highest award of the Republic and the restoration of the Cross of Service with Swords. The following will no longer be awarded: the Order of Builders of People's Poland, the Order of the Standard of Labor, the medal "For Participation in the Battles in Defense of Popular Power" and the medal "Earned on the Field of Honor."

The television news program WIADOMOSCI has recognized Leszek Balcerowicz as politician of the year, and Stefan Kisielewski and Adam Michnik as journalists of the year.

Notes from TRYBUNA. In 1991, further price increase are planned: for rented apartments, rent from 660 zlotys per M2 to 1,320 zlotys (1 January) and to 2,500 zlotys (1 July); the price of electricity will increase two- to four-fold from 180 zlotys per kwh; the road tax on private cars will increase about 10-fold to 500,000 zlotys; the tax on a dog to 40,000 zlotys; the price of 94-octane gasoline from 3,700 zlotys per liter to about 6,000 to 8,000 zlotys; hot water from 3,700 zlotys per person to 7,400 zlotys (1 January) and to 11,000 (1 July). In 1991, the average wage should reach about 1.4 to 1.5 million zlotys (in October 1990, 1.254 million zlotys). [passage omitted]

### Opinions

Ludwik Lewin, journalist:

(ZYCIE WARSZAWY No. 267, 16 November 1990)

"The peculiar equality of opinion with regard to the candidates is accompanied by an unequal decline in their opinion of Poland. The French, informed by their own mass media, but also in possession of Lech Walesa's comments, which LE FIGARO published *in extenso*, cannot understand how it is possible for Jewish issues, or rather the Jewish origin of Polish politicians, to play such an essential role, nearly half a century after the liquidation of Polish Jews, when it is necessary to

recover from 40 years of communist destruction. Many Frenchmen under the influence of these discussions are returning to the schematic picture of the Polish anti-Semite, and they are beginning to treat our nation as if it had not matured enough for democracy or does not deserve it....

"It is not true that the French fear Polish poverty; as is well-known, nothing arouses as much fear as poverty does," says Paul Thibaud, the long-time editor in chief who comes from the Catholic tradition of the monthly ESPRIT.

"It is true that the image of Poland in the eyes of the French has deteriorated and that the image of Solidarity is falling apart, which was considered the 'good' Poland in France. A whole fistful of prejudices toward Poland is returning; a Catholic Poland is not a much sought-after good in France, and there remains the unbroken circle of nationalist, chauvinist, etc., Poland. We remember that in France such an image of Poland has always existed; it was only pushed aside by the admiration for Solidarity."

*Leszek Miller, secretary general of the Central Executive Committee of the Social Democracy of the Republic of Poland (SdRP):*

(Interviewed by Ewa Rosolak, TRYBUNA No. 228, 12 November 1990)

[Question] After nine months is it possible to say that the Social Democracy of the Republic of Poland has thrown off the odium of "PZPRism" [PZPR—Polish United Workers Party] and reached independence?

[Answer] That the Social Democracy of the Republic of Poland is essentially a different party cannot be doubted. There are many proofs. I will draw attention to only two. First, we reject the system of the leading role of one party. We are striving for the development of a modern multiparty system in which the power and prestige of each party is based on support in society expressed in free, democratic elections. In a word, we are a democratic, parliamentary party.

Second, under the program of the PZPR, the economy was based on central planning and on a command-distribution system. We support a market economy, but we think there are a series of roads leading to a market, and the road of Premier Balcerowicz is at most one of many.

### POLITYKA Weekly News Roundup: 25 Nov-1 Dec

91EP0138A Warsaw POLITYKA in Polish No 48, 1 Dec 90 p 2

[Excerpts]

### National News

[passage omitted]

The ambassador of the Soviet Union, whose interview for SZTANDAR MŁODYCH provoked commentary and parts of which were described by the Polish Ministry of Foreign Affairs as unfortunate, explained in SZTANDAR that in talking with the journalist he was "thinking of 1945, when the historically Polish lands (editor's note—the recovered lands), germanized during the previous period, were returned to Poland by Soviet and Polish soldiers." "As regards the historical ownership of these lands," the ambassador added, "the Soviet Union, I repeat, considers them originally Polish and, as is known, made its contribution to restoring them to Poland and to the internal legal recognition of Poland's western boundary." [passage omitted]

There is an alarm in the central budget, writes ZYCIĘ GOSPODARCZE. The surplus which was still 6.3 trillion zlotys at the beginning of November had fallen to 2.5 trillion zlotys at the end of the first ten days of November, and on Thursday, 15 November 1990, to 0.1 trillion (income of 107.8 trillion, expenditures of 107.7 trillion).

Polish capitalists have formed a club, EXPRESS WIECZORNY reports. The membership fee for the Club of Polish Capital is 50 million zlotys; the monthly membership charge 1 million zlotys. A minimum annual revenue of \$1 million is required. Krzysztof Rucinski, the owner of Venessa, was chosen president; Marek Mikusiewicz, the owner of the firm MarchPol, is the deputy president. There is a list of several dozen individuals waiting to join.

Six months ago, the Gdansk hotel Monopol was bought for \$2 million by the State Treasury (represented by the voivodship authorities) and given to the central officials of NSZZ [Independent Self-Governing Trade Union] Solidarity for its offices. The hotel was closed, the personnel released, the furnishings sold. After analyzing the costs, Solidarity resigned from the building. Now, TRYBUNA reports, the damaged, vandalized hotel has been sold to the previous owner—Orbis—for the same sum, \$2 million. Orbis, however, is demanding damages for the losses caused by the closing of the hotel.

The minister of justice has asked for criminal proceedings to be begun against Leszek Moczulski, the presidential candidate, who during the campaign slandered the sitting president Wojciech Jaruzelski. The plenipotentiary for Moczulski, Krzysztof Krol, declared that he and Moczulski maintain their accusations. [passage omitted]

The Supreme Court decided the extraordinary appeal of the prosecutor general in favor of the former ambassadors Romuald Spasowski (to the United States) and Zdzisław Rurarz (to Japan), who after the introduction of martial law asked for asylum in the United States and were sentenced in absentia to death for treason. The sentences were changed after the amnesty of 1989 to 25 years in prison. The Supreme Court acquitted both ambassadors.

Deputy Anna Dynowska resigned from the chairmanship of the deputy club of the Democratic Party (SD) and resigned from the party. The conflict with the authorities of the Democratic Party was caused by their support for L. Walesa's candidacy after the club had decided to support no candidate. The presidium of the party committee of the Democratic Party adopted a resolution to bring A. Dynowska before the party court for promoting the position of the club. The club, in turn, supported Dynowska and asked the party committee to rescind the resolution calling for her to be brought before the party court. That did not satisfy A. Dynowska, and she resigned. [passage omitted] *Who's Who*. Dr. Jerzy Drygalski, previously chairman of the Liquidation Commission of the Workers' Publishing Cooperative, has been named undersecretary of state in the ministry for the transformation of ownership transformation. The new chairman of the commission is Dr. Kazimierz Strzykowski, previously head of the legal advisors for the commission. Konstanty Miodowicz (age 39) is head of Counterintelligence Administration in the Office of State Protection. He was a member of the Independent Association of Students (NZS), a founding member of the movement Freedom and Peace (WiP), and interned from December 1981 to July 1982. Chairman of the OPZZ [All-Polish Trade Unions Agreement] Alfred Miodowicz to a journalist for KURIER POLSKI: "I received the nomination of my son to be head of counterintelligence with a certain satisfaction since he will have no work in the OPZZ." In response to a question concerning their relations: "I cannot complain; they are quite correct."

Turkey has given \$1 million in food aid to Poland.

The French embassy has informed Poland that at present 12 diplomats in consular affairs and 12 state functionaries responsible for privatization programs are being trained in France; there are also three scholars who are pursuing normal studies at the prestigious National School for Administration; and six journalists, who are spending one-month internships at the best French dailies. [passage omitted]

#### Opinions

*Andrzej Micewski, historian, head of the group advising Walesa:*

(Interviewed by Piotr Andrzejewski and Krzysztof Golata, WPROST 18 November 1990)

[Answer] I must say that although nothing ever connected me with Marxism, I always thought that if in 1944-45 there had been no communists in Poland capable of taking over power we would have become another Soviet republic. I do not believe that Stalin standing on the Elbe and seeing the weakness of the West, whose soldiers were dreaming of returning home, returned this portion of Europe only because Poles did not want a communist government. Thus, I look at the history of the PZPR somewhat differently than the majority of its sworn enemies—more relatively.

Although the balance of the governments of that party is negative, its existence was, I think, a historical necessity.

*Marian Jurczyk, chairman of the National Coordinating Commission of Solidarity '80:*

(Interviewed by Ryszard Zajac, *DZIENNIK ZACHODNI* 13 November 1990)

[Question] In the context of the upcoming presidential elections it has been said that the political contract of support for Walesa by Solidarity '80 in exchange for a government post or the position of chairman of a unified Solidarity for Jurczyk is realistic.

[Answer] I would not allow myself to be chairman by nomination. I could become chairman if I were elected. It is physically impossible for Solidarity '80 to support Mr. Walesa in his effort for the presidential chair. In our opinion, Lech Walesa is blocking the democratic mechanisms. We have no guarantee that this man will change. [passage omitted]

## YUGOSLAVIA

### Grievances of Ethnic Serb Police in Croatia

91BA0093A Belgrade *POLITIKA* in Serbo-Croatian 10 Nov 90 p 19

[Unattributed article: "Hastily Trained 'Policemen' Overseeing Regular Police; Open Letter From 142 Policemen in the Zadar SUP [Secretariat for Internal Affairs]" ]

[Text] To the president of the Republic of Croatia, the government of the Republic of Croatia, the minister of Internal Affairs of the Republic of Croatia, the minister for NO [National Defense] of the Republic of Croatia, all SUP's [Secretariats for Internal Affairs] in the Republic of Croatia, the Presidency of the SFRY, the Federal Executive Council, the secretary of the SSUP [Federal Secretariat for Internal Affairs], the federal secretary for National Defense

Why are weapons from the Zadar SUP magazine being taken away and secretly distributed at night solely to civilians in Croatian villages located in the Zadar, Obrovac and Benkovac municipal areas?

Why, following orders from the Ministry for Internal Affairs of the Republic of Croatia concerning the activation of the reserve component of the police force, were weapons and ammunition distributed to persons who had not previously been picked for service in the reserve component and for whom the required checks had not been carried out?

Why were such members of the reserve component of the police force (out of uniform), as well as those newly hired, hastily trained as "policemen," enabled to take home weapons and ammunition for short and long periods, when those persons do not have any sort of

qualification for undertaking police work, much less for legal possession of weapons? Why, at the same time, are the weapons of the regular police force being kept locked up in the magazine, loaded, and through use of the guard service kept in reserve by the newly hired "policemen" who are barring the regular police force from passing adjacent to the magazine, and even from using the toilet area or walking in the courtyard area of the SUP building?

Why was this SUP's special police unit disbanded, a unit of mixed-nationality and as far as everyone was concerned a regular police unit (named the best special unit in Croatia). And why, after it was disbanded, was a special unit formed solely of newly hired "policemen" of Croatian nationality, the great majority over 25 years of age, which is the limit for such units (and quite a number being over 30), and why was a mere primary school education made one of the basic criteria for membership?

### Division on the Basis of Nationality

Why have policemen of Serbian nationality been excluded from everything mentioned above, creating division on the basis of nationality among members of the police force for no reason and with no excuse given to anyone, which is evoking justified rebellion, doubt, dissatisfaction, insecurity, and distrust among workers in the police force of both Serbian and Croatian nationality?

Why, in addition to all this, and even though circumstances do not require it for security, is an abnormally large number of members of the police force being used for guarding the magazine, the weapons, the equipment, and the motor pool (all of these areas are located within the building), while at the same time there is a noticeable rise in crime of various forms in the Zadar district area?

Why, among the "policemen" newly taken on, are there individuals who have been the subject of prior official police actions, including actions by members of the regular Zadar police unit, on various charges, among which assaulting an officer and damaging an official police vehicle?

Why are occurrences of verbal and physical fighting among policemen belonging to different nationalities being tolerated?

The answers to these and certain other questions arising from this SUP's sphere of work activity were sought by some one hundred policemen, among them ten or so Croats, at a meeting held with the leadership of the Zadar SUP on 22 October 1990, the aim being to overcome problems and promote work, order, discipline and legality in the activity of the police force. In view of the fact that the leadership, by their own admission, were not prepared to give answers to those questions, the policemen in attendance, expressing dissatisfaction and mistrust with regard to the entire leadership of the Secretariat, received a promise that they would get



answers at a meeting on the 26th or the 29th of October. Instead, at a meeting not held until 30 October, there appeared along with some of his associates the deputy minister for Internal Affairs of the Republic of Croatia, Mr. Perica Juric, and in "cowboy" fashion, with threats and insults, he assailed the policemen who had taken part in the previous meeting, calling them a "Putschist mafia" and organizers of a "political whorehouse." Moreover, Mr. Juric himself politicized the whole issue without any real reason or cause, since all the questions to which the policemen wanted answers had no political meaning or connotation.

Instead of giving some manner of response to the questions put to him, Mr. Juric talked about Serbian politics and people in Belgrade, about his visit to Knin, about Zelenbaba and Opacic, and so forth. It was a typical political "lecture," accompanied by the threat to dismiss a certain portion of the police force for up to six months to look for new employment. At the same time, Mr. Juric expounded on the need for the force to take on new workers.

After this "statement" of Mr. Juric's, Mr. Ilija Curcic, secretary of the Zadar SUP, asked for the floor and attempted to give some sort of vague answers, logical only to himself, to questions put to him. However, he was rudely interrupted by Mr. Juric, and after him so was a policeman who asked for the floor. After around 50 workers left the meeting, infuriated at such a turn of events, Mr. Juric said that those workers had by that act "signed their own resignations," adding: "Thank God, thank God we will not meet again."

#### **Ethnic Purification of the Police Force**

On 2 November 1990 there began interrogations of 11 workers (out of the total of 50 who had left the meeting), and this was all for the purpose of suspension. It was an open secret, however, that they were all workers who had earlier been on a list for dismissal from the force, all of Serbian nationality. It is obvious, there is no doubt, that leaving the meeting was just being used as a pretext for suspensions and ethnic purification of the police force.

Deputy Minister Perica Juric called that meeting a working session and described the act of leaving it as a violation of work obligations. That meeting, however, was no working session, which is proven by the fact that the notice invited "all interested workers," and attending it were some representatives of sociopolitical organizations even from outside the Zadar municipality, and journalists, and even some unknown citizens.

Let us put the question:

—Did the policemen who, in order to resolve their situation in the police force and for advancement, asked certain questions but were rudely silenced and undeservedly called a "Putschist mafia" merit the charge of organizing a "political whorehouse"?

—Can policemen, as in our instance, be fired from their job for no reason other than the "ethnic purity" of the police force?

—We are all educated, expertly trained workers in the Public Security Police Force, decent and moral people, devoted to our work and trustworthy on the job. Must we be replaced just because we belong to a certain national group by people without appropriate qualifications and in some cases without moral dignity, based on the criterion of belonging to a desired nationality.

Finally, we appeal to all the agencies listed above, with the aim of professional advancement and depoliticization of the police force, respect for legality and constitutional government, and interpersonal and international relations, that they undertake appropriate measures regarding this difficult and unpleasant case, in which we became actors through no fault or intention of our own.

And we—we and the public at large—still await satisfactory answers to the questions that have been asked.

(The signatures of 142 Zadar SUP policemen follow)

#### **Croatian Deputy Internal Minister Termed 'Special Tasks Man'**

91BA0093B Zagreb DANAS in Serbo-Croatian  
6 Nov 90 pp 20-21

[Article by Jasna Babic: "Personality of the Week; a Policeman for the Policemen"—first paragraph is DANAS introduction]

[Text] From an almost anonymous link in the HDZ [Croatian Democratic Association] chain, Juric has soared in meteoric fashion to the very summit of modern Croatian politics, becoming the special tasks man.

If, after the Croato-Serbian negotiations in Donji Labac, Josip Boljkovac became—as the president of a municipality in the Kordun [the Dunj/Glina/Petrinja area of Croatia bordering Bosnia] asserted—the only minister for Serbs in Croatia, then Perica Juric is truly the most powerful republic-level policeman. A short time and he will be Tudjman's Stevo Krajacic. Indeed, observing from below the Republic of Croatia's new political pantheon, it is difficult, and getting increasingly difficult, to ascertain who obeys and follows whom and who commands whom—the minister of Internal Affairs, his deputy, or on the other hand Juric, as one of the most influential leaders of the Croatian Democratic Association, his minister. For the governing party is joined up with the Croatian state like a Siamese twin, and things cannot be separated out much more simply. By way of a little example, did the foreign exchange obtained from the American tour of the president of the Republic, who, furthermore, is also the chairman of the HDZ, end up in the state or the party treasury, for the benefit of Croatia or of future election campaigns.

Be that as it may, facts and events tell the following: Perica Juric was the first in Croatia to lay out the Croatian chessboard wearing the Croatian uniform of a Croatian policeman. It took a lot of diplomatic skill and friendly smiling for his formal boss Josip Boljkovac to neutralize at least to some extent the effects of his threats, or, according to how one took them, solemn pledges; among Serbs—because on the red-and-white, or white-and-red (recently that has also become a matter of controversy) surface they see something like the mark of the devil; among Croats—because they claim that due to the Serbs they keep seeing communist stars.

Not long afterward Perica Juric was to put his stamp, also in his own fashion, on the journalistic controversy over the death of Tudjman's parents which, like everything else connected with Tudjman, was to develop into a debate with historical relevancy. Since Stjepan Krkac did not testify to quite everything that had been expected of him, the deputy minister for Internal Affairs one night sent agents of the State Security Service—the "political police" that, incidentally, no longer officially exists—to search his apartment, take away his trophy weapons, and if possible rummage out evidence of base intentions to threaten Tudjman's person.

However, only a little later on, followed a most significant, publicly known and recognized act of Perica Juric's: the march on Petrinja, when at the head of a column, as the leader of the Republic's special forces, he finally demonstrated—not having finished university and, therefore, in the manner of half-read books, as he is himself wont to say—"the sovereignty of the Croatian police force." On that same day Josip Boljkovac withdrew to a pleasant little town in northern Croatia to give an appropriate, optimistic political speech, as if it did not concern him in the least where and what his figurative "right hand" was doing.

So it is not at all unusual that Perica Juric's latest initiative—settling the situation in the Zadar Secretariat for Internal Affairs—astounds and captivates much more by its spectacularity than its effectiveness, although it was, this is generally known, a matter of a commonplace "working session." And to be sure, that event was preceded by storytelling of Serbs in Croatia being imperilled, and by a secret conference of the Zadar policemen of Serbian nationality, who make up the majority of the police force in a Croatian environment, but who for just that reason refuse to become a minority of the police force, and hence their open conclusions published in a Belgrade newspaper. That is why the republican Ministry for Internal Affairs was called in to help in Zadar. But instead of Boljkovac, Juric came, and the "working session" looked something like this: The local chief wanted to explain why he had asked municipality and republican authorities to the meeting. Juric interrupted him in mid-sentence. Afterwards the representative of the Serbian group in the Zadar SUP [Secretariat for Internal Affairs] wanted to have his say, and then he too—on a completely equal footing—was silenced. Then "policemen" of Serbian nationality demonstratively

arose, apparently in precise accordance with a plan made earlier, and even more demonstratively left the meeting. Juric threatened them with suspension and dismissal, and per his demand the remaining attendees were registered under full first and last names and photographed collectively and individually so that later, by subtracting the total group of those present and the excused absences from the overall total number of workers, the number and identity of the ones that rebelled would be established.

The Serbs, therefore, left, and the Croats remained—shocked.

Not until days later, when at a machine-like pace—when all is said and done we cannot imagine him any other way—Perica Juric was already turning to new activities, was the final result of that mathematical calculation to come to light. After the powerful threats due to disobedience, after 30-odd Serbian "rebels" were counted up, punishment was to be applied to eleven of them. Or not even to any. They had left—asserts Ilija Curcic, head of the Zadar SUP—but returned to the meeting. Or, well, attendance at or absence from that "working conference" will not perhaps even be a critical factor.

So, all in all, Juric's guest tour in Zadar will be remembered only for certain characteristics of his performance and policeman's style, and especially for how a young deputy republican minister for Internal Affairs, after three months of police experience and at the same time in his first legal job—in Germany he had, in fact, just like many of his compatriot Hercegovinians, worked exclusively "black-market style"—he gave an impressive, authoritative lecture on the professional ethic of a top police professional, on what loyalty is, why the police should not be engaged in politics, and how in today's circumstances one should behave. To make the scene even more interesting, along with the ordinary working-level folk in the Zadar Secretariat for Internal Affairs, the lecture was also listened to by several more experienced MUP [Ministry for Internal Affairs] officials, and even Ilija Curcic himself, who precisely because of long years of police work in a highly visible multinationality environment had been promoted by Boljkovac to be chief of police in the Zadar region, as a healthy solution for all of that region's troubles, not only with Serbs, but all the social conflicts that had made the Zadar police branch the most problem-ridden SUP in the Republic.

For Perica Juric—as VECERNJI LIST published three months ago—already knew a lot about similar matters earlier. He was taught, the paper says, by Josip Manolic, until recently vice-president of Croatia and presently prime minister in the Croatian Government, and in the old war and prewar days an OZNa [Section for the Defense of the People] and UDBa [Administration for State Security] man responsible for protecting the political order of a communist Yugoslavia.

To judge by Perica Juric's unofficial biography—the official one is however somewhat altered—Manolic was in truth his first highly significant political teacher.

Indeed, up until the new Croatian spring, Perica Juric did not engage in any significant public activity. Outside of his everyday schoolboy and later university student obligations, his only voluntary social involvement was in connection with the church: in Duvno, where he was born, as an assistant at mass, and later on when he was a periodical and temporary guest worker in Germany and was active in various Croatian Catholic missions. These gradually and spontaneously developed ties to Catholic circles were to prove very useful for the party that he chose, except at that time it was still only an expression of his deep and sincere religiosity and his asceticism, which give him, as a policeman, the very look of a Jesuit. Malicious people say that on the contrary, they are reminded of—Dida Kvaternik.

He discovered politics as his new passion and missionary vocation by getting to know Marko Veselica, fascinated—say his friends—by the greatest living “Croatian martyr,” who because of “Croatian affairs” was punished with a total of 11 years at hard labor. In the same fashion, as Veselica's follower he was to become one of 13 members of the former HDZ youth group and its chairman, mainly in charge of the technical side of organizing the initial quasi-public party meetings. At the Literary Club they remember him at the first advancement ceremony of the HDZ, when Veselica and Tadjman were still working together on the same political plans, for having brought chairs and looked after the personal comfort of his political models. He was just an unimportant link in the party's internal hierarchy and power structure that had recently come into being, but he was already praised as an excellent organizer and “operative,” more precisely, a very disciplined implementer of “higher” party directives. Josip Manolic, figuring in the picture at the beginning, at the time when the Croatian Democratic Association was discussing mainly ideological questions, was handling coordination and was the sole connection between the young Juric as chairman of the youth group and the key party strategists. It appears that their successful collaboration began at that time: Manolic's tutoring and Juric's education. When in its official founding act at its inaugural assembly the Croatian Democratic Association split into two conflicting factions and one of them, with the Veselica brothers at its head, became the Croatian Democratic Party, the future deputy minister for Internal Affairs already had totally new political idols, not so much “Croatian martyrs” to be sure, but more effective and—not without significance for an ascetic and a born doer—more authoritative political leaders. And they did indeed seize power.

So he advanced. Already in November 1989 we see him in a photograph published in *START*: Perica Juric along with Neven Juric, Ivan Bobedak, and the already inevitable Manolic—Tadjman's closest collaborators and those same people who in his struggle with Veselica

helped him to become the untouchable party chairman. Josip Boljkovac was not anywhere yet. Right after the assumption of power he was a surprise personnel decision.

Several months later Perica Juric became one of the numerous vice chairmen of the HDZ and received a new party task: organization of a branch in Bosnia-Herzegovina. It is not inconceivable—affirm those with the best knowledge of internal party conditions—that Perinovic's becoming the Bosnia-Herzegovina chairman is above all Juric's work; only he and no one else could convince his fellow Herzegovinians that a Sarajevo Croat was good and was as ardent as a Herzegovinian one.

If we rate him, therefore, by what he has done for an organization of politically like-minded people, Perica Juric rightfully and deservedly has taken his place in the HDZ government. His former teacher has meanwhile become his indirect boss, that is, the president of the Croatian Government, and it is certain that the teaching and collaboration are continuing even more successfully. As atheistic as is the young deputy minister for Internal Affairs—“Catholic by conviction,” as he is known to say, similar in fact to that rather aged “former OZNa man”—so is, it seems, the new Croatian state, and also that old simple issue of faith, conviction, and belief in its archpriests.

#### Croatian War Veterans' Association Founded

91BA0104A Belgrade *POLITIKA* in Serbo-Croatian  
10 Nov 90 p 8

[Article by R. Dmitrovic: “Urgently Form a Croatian Army and Arm Croats”]

[Text] The Founding Assembly of the Association of Croatian War Veterans was held today (9 November) in the old town hall in Zagreb's Upper City. The organization, its programmatic principles state, will found its activity on the experiences and traditions of the National Liberation Struggle, the decisions of the first, second, and third meetings of ZAVNOH, on the United Nations Charter, and the Helsinki Declaration on Freedom and Protection of Human Rights.

According to a small group of members of the initiating committee, the association has been created “because of the unitaristic and anti-Croat policy that has been conducted and is still being conducted by the Croatian SUBNOR [Alliance of Associations of Veterans of the National Liberation War].” Croatian veterans welcomed with particularly loud applause the appearance of Olga Hebrang and Dusan Bilandzic, member of the academy, vice president of the Croatian Presidency, who is a member of Racan's SDP [Social Democratic Party]. Bilandzic greeted the Croatian veterans on behalf of the Presidency of the Republic of Croatia and read a telegram sent to the meeting by Franjo Tadjman. Fra Tomislav Duka, one of the deputy ministers in the



Croatian government, also spoke. He advocated reconciliation of all those who fought in the last war for a sovereign Croatia, calling upon the veterans to forget "what divided us on the battlegrounds of World War II."

In his lengthy introductory address, national hero Ivan Denac, candidate for president of the association, emphasized that Croatian veterans will never be represented any longer by this Republic's SUBNOR. He called upon veterans of Serbian nationality to join the newly founded organization, but immediately afterward, speaking about the current political situation in Croatia, he said that many veterans who are Serbs are traveling through certain areas of the Republic and arousing the Serbian people against the new Croatian government. "We have no problems whatsoever with any other people in this state except the Serbs," Denac stressed, concluding his address with the remark that Croatian war veterans favor a sovereign Croatian state as an equal member of a confederal Yugoslavia.

All of those who spoke today in the council hall of the Old City, and they were many, emphasized that they were not fighting for Yugoslavia, but for an independent state of Croatia, but that "after the war they were deceived by the unitarists and Bolsheviks."

Ilija Cvitkovic called for urgent formation of a Croatian Army and the arming of the Croatian people, which met with tumultuous applause, and he also called for urgent recovery of the armament of Croatia's territorial defense deposited some time ago in warehouses of the Yugoslav People's Army. Cvitkovic concluded by exclaiming "God and the Croats." Stjepan Komarica is of the opinion that in postwar Yugoslavia the Croatian people were tricked and disenfranchised. "Many Croats have been taking short breaths and walking on their tiptoes ever since 1945," Komarica said, adding that the "unitarists and elements of an anti-Croat disposition" removed more than 3,000 Croatian Partizans from positions or put them in prison in 1971 during the Croatian Spring.

The veterans announced the establishment of a chapter for the entire Republic, and since the leadership of the newly established veterans' organization in Croatia includes people involved on the side of the mass movement in 1971, it is not difficult to conclude that establishment of the Association of Croatian War Veterans has taken to the end the process of the interethnic schism among Croatian veterans. Especially since the veterans are advocating "reconciliation of all Croats" and creation of an independent and sovereign state of Croatia.

## HUNGARY

### **Military Justice Administration To Be Reorganized**

91CH0181A Budapest NEPSZABADSAG in Hungarian  
10 Nov 90 p 4

[Report on briefing by cabinet spokesman]

[Excerpt] [passage omitted] The cabinet approved a legislative proposal to amend the law concerning the judiciary, as well as the Criminal Code of Laws and the Code of Criminal Procedure. The essence of the changes

is as follows: Military tribunals and the Supreme Court's Military College will be abolished as a result of amendments to the Criminal Code of Laws. Separate military judicial councils will take the place of these judicial organizations. Such councils will be established in Budapest, at certain county courts to be designated by the president of the republic, as well as at the Supreme Court. These councils will adjudicate cases subject to military criminal proceedings. Separate military prosecutor's offices will remain in place for the time being. Another essential change exempts professional members of the police staff from military justice from the standpoint of criminal law. [passage omitted]

## HUNGARY

**Activities of Dunaholding Analyzed**

91CH0201A Budapest HETI VILAGGAZDASAG  
in Hungarian 27 Oct 90 p 69

[Unattributed article]

[Text] "No such animal," a peasant visiting the Budapest Zoo said upon discovering the giraffe, according to the anecdote. A similar confusion may exist in the minds of those who nowadays observe the way new actors in the slowly changing Hungarian economy come about.

On occasion, not even the founders of these organizations are specific in defining themselves. Dunaholding, Inc., is an example. In its prospectus, which was designed to invite subscriptions to its stock, it defined itself as an "investment company." In reality, however, its actual functions are not the kinds of activities performed by an investment company, either in the light of a legislative proposal now being prepared to "get ahead of" investment funds and companies, or as compared to investment company activities regarded as usual in the West, conducted pursuant to Western rules. The functions of Hungarian "investment companies" are more akin to the activities of risk venture capital companies in Western countries with developed capital markets.

Dunaholding, an organization hardly unknown to the greater public, was established in December 1989 by four small cooperatives: a limited liability corporation, the CA-BB brokerage firm, the Capital City Council, and the Postal Bank. The Capital City Council contributed 240 million forints and the Postal Bank invested 120 million forints in capital.

This respectable sum of money, however, did not have much time to warm up in the company vault. The firm used this money to purchase interest in various enterprises. Although Dunaholding's director, Istvan Tamas, treats the identity of the targeted enterprises as a secret, it is apparent that their interest is focused on enterprises which are promising in the long term, and which struggle with solvency problems at the moment. Tamas hopes that these enterprises will produce greater profits than the interest paid in the marketplace. Quite naturally, investments are secure only as long as financial problems do not reproduce themselves regularly. Therefore, the holding provides "complex handling" to the enterprises it finances. To be able to provide this service, Dunaholding organized a group of foreign experts consisting of several dozens of people around its own apparatus, which consists of a mere 30 employees.

The trouble is that the benefits of investments like this cannot be realized overnight. This is one reason why it is extremely surprising that the assets of Dunaholding doubled in less than one year, and are valued at present at 2 billion forints. This is revealed by the prospectus published to invite subscriptions to stock. The gold mine which may avoid the attention of many is in the process

of privatization. A number of enterprises view the possibility of privatization. They face reorganization into a corporate structure and would like to get rid of part of their assets, so that profitability indexes become more attractive. Based on so-called onerous contracts, these firms transfer part of their assets to Dunaholding, an authorized property manager. Dunaholding then invests these funds in the capital market. In subsequent years, it transfers part of the profits it generates in the form of a fixed return to the firm—amounts higher than the previous rate of profitability recorded by the firm.

This kind of (otherwise legitimate) structure to acquire assets is not likely to last for long, precisely because it operates in the "anteroom" of privatization. Tamas notes, however, that "this solution remains a profitable long-term opportunity for capital regrouping in terms of enterprises which permanently remain the property of the state." Dunaholding, however, intends to earn its bread and butter in the long-term at the evolving Hungarian capital market. They probably stand on firm grounds when they claim that the future in Hungary is the same as it is abroad: Investment funds are concealed in savings accumulated by businesses and individuals, accordingly, these are the funds they must acquire.

The next act will involve the issuance of stock on the stock market, according to Tamas. But unlike the issuers of all other securities traded on the Budapest stock exchange, Dunaholding has no history. It is an unknown firm. For this reason, the holding is extremely cautious. Plans call for the public sale of only 70 million forints worth of existing stock for the first time in November, and with the involvement of the CA-BB agency. Only thereafter will they increase capital stock by 200 million forints. This will also take place in 1990. If the stock sold realizes the expected 380 percent return, Dunaholding, with its 1 billion forint capital stock and assets amounting to almost 1.5 billion forints over and above the capital stock, will become a remarkably large enterprise in the Hungarian economy.

Still, one cannot be certain. Who knows whether there will be sufficient uncommitted capital on the market that can be mobilized, and if so, whether that capital is awaiting securities issued by Dunaholding? And this, at a time when the well known Fotex firm is preparing to have its securities traded on the stock exchange. Although true in part, Dunaholding is counting on new money from foreign investors who have difficulty finding their directions on the Hungarian terrain, who require "tour guide" services also offered by Dunaholding. But similarly and emphatically, Dunaholding is also counting on Hungarian small investment capital, and on capital to be invested by private persons. The timing for the issuance of stock at year's end is no coincidence. Money invested for the purchase of stock in December may be deducted from the gross income figure on personal income tax returns to be filed in March. On the

other hand, not even the shrewd managers at Dunaholding are able to figure out just how many people will purchase gifts rather than stock for Christmas, or will turn stocks into gifts.

Most likely, the greatest difficulty faced by Dunaholding is to convey to potential small investors an understanding concerning the activities of the firm. Investors who purchase IBUSZ [expansion unknown] stock understand that they are investing their money in foreign tourism, and investors who buy Skala-paper stock understand that they are investing in commerce. It is equally true that in regard to several enterprises, the picture only appears to be clear. For example, the lines pursued by Novotrade are so diverse that only the superficial viewer continues to believe that it is a computer technology firm, and Fotex also amounts to much more than a simple photographic service undertaking by now. In contrast, Dunaholding was established from the outset for the purpose of making profits as a result of interest held in the most diverse array of enterprises.

"The risk is perhaps greater this way, but so are the potential profits," Tamas says, based on the firm's performance during its first eight months, as attested to by the 300 million forint profit verified by the Ernst & Young public accounting firm. If anywhere, one can hardly question the logic of "the one who dares will win" in the capital market. Together with this, Dunaholding activities will be the testing ground for cooperation among those seated at the table of the Hungarian capital market; a testing ground for the sense of responsibility on part of issuers of stock, for expertise on the part of salesmen, and for the maturity of investors.

#### Agreement on Trade Rules, 1991 Schedules

91CH0201B Budapest NEPSZABADSAG in Hungarian  
24 Nov 90 p 5

[Article by G.Zs.: "Payment in Goods Rather Than Dollars: No Drastic Decline in Hungarian-Soviet Trade Expected"]

[Text] Contrary to expectations, the list of intended procurements of Hungarian goods for 1991, which was presented by the Soviet Union, contains machine industry and pharmaceutical products. Deputy State Secretary Lajos Berenyi also brought good news from Moscow in the form of a confirmation received from his negotiating partners: This year they will make good on their earlier oil delivery promises.

As the Moscow reporter of NEPSZABADSAG announced already, the agreement which places Hungarian-Soviet economic relations on market foundations beginning in 1991 was initiated in the Soviet capital. It will be signed shortly. Based on the agreement, the balance that will have evolved as of 1 January 1991, will be converted into dollars by using a 0.92 multiplier. These are the terms in which the balance will be recorded. They will also review some other, earlier

agreements, including the agreement concerning general delivery terms, and customs duties will be introduced.

Beyond the general rules governing economic relations, the delegation headed by Deputy State Secretary Lajos Berenyi conducted negotiations about next year's intended mutual mercantile trade. The delegation included representatives from the Ministry of Industry and Commerce, and the Ministry of Agriculture. The Hungarian party already prepared its so-called indicative list last summer, i.e., it made its recommendations as to the kinds of goods it would import and export. The responsive Soviet list was just completed. It differs from the Hungarian wish list in many respects. Streamlining of the two lists will take place in the near future.

Although we no longer talk about the exchange of merchandise, but rather about exports and imports, the import and export requirements indicate that the two parties endeavor to continue to offset their deliveries in the form of merchandise. The reason is obvious: Neither party has free foreign exchange, and only as a last resort would they open letters of credit.

As Berenyi reported on Friday at the Ministry of International Economic Relations, the list presented by Gosplan contains about \$1.5 billion worth of goods per page to be delivered in 1991, or a total of between \$3 billion and \$3.2 billion. Although this amounts to only about 40 percent of the 1990 trade volume, it does not mean that trade between the two countries manifests a drastic decline. This is so because only certain types of goods are included by Gosplan, which acts for the federation of the various republics. These are: transportation, communications, health care products, and goods manufactured by some other similar branches of industry. Correspondingly, the Soviet party submitted proposals by way of the indicative list mainly for the importation of machine industry and pharmaceutical products, and for the exportation of energy resources and raw materials.

Notwithstanding reports to the contrary, the Hungarian partners were first to deliver an indicative list in Moscow, i.e., no discrimination whatsoever exists against Hungary, Berenyi said. The indicative list does not constitute any kind of commitment to deliver, all it means is that the exporting country grants a permit for the exportation of goods enumerated on the list. The extent to which the opportunity provided is exploited depends on the enterprises of the two countries, specifically on whether they are able to agree on delivery and payment terms.

Hungarian ministerial officials are counting on reaching further trade agreements with the individual republics. Since barter transactions and payment for deliveries in the form of free foreign exchange continue to remain possible, one cannot rule out the possibility that next year's trade volume will come close to this year's volume. This is even more true, because—if they are able to do so—next year Hungarian entrepreneurs will be able to make purchases freely in the Soviet Union. This will



also apply to crude oil and gasoline, although merchants dealing in these commodities will be obligated to guarantee the maintenance of certain levels of supply.

And so, since both exports and imports will be composed of many different kinds of items, the volume of goods enumerated on the indicative lists do not represent by far the total volume of mercantile trade. In any event, Soviet wishes include \$300 million worth of Hungarian buses. This translates into about 5,000 vehicles. Also included are \$150 million worth of component parts, and \$400 million worth of pharmaceuticals. Based on the list, Soviet electrical energy supply deliveries will remain at this year's level, and 5.2 billion cubic meters of natural gas may be imported. In contrast, however, only 1 million tons of crude oil may be imported. The Hungarian party hopes that an additional 3.5 million tons of crude oil may be obtained from the various republics, but the missing volume can be purchased only for dollars, under the cash on delivery payment terms.

#### **Soviets, Mercedes Benz Include Ikarus in Program**

*91CH0201C Budapest NEPSZABADSAG in Hungarian 19 Nov 90 p 5*

[Hungarian Telegraph Agency (MTI) report: "Mercedes Joins Cooperation With Ikarus; Soviet Market Targeted"]

[Text] The Soviet Union and Mercedes Benz AG intend to include the Ikarus factory of Budapest as part of the German-Soviet bus manufacturing cooperative program.

Mercedes director Werner Niefer announced Sunday that Mercedes would annually deliver between 8,000 and 10,000 engines, complete with gear, to Ikarus, so as to change stagnant production into an upswing, and so that Ikarus may continue to deliver buses to the Soviet Union. Niefer negotiated this transaction in the Soviet Union with Ivan Silajev, prime minister of the Federation of Russia, and with members of the government. A preliminary agreement was signed concerning the technical assistance program.

We are putting an important bus supplier to the Soviet market back on its feet, Niefer announced. The German businessman did not comment regarding the costs, or method of finance involved in this undertaking. At the same time, he made reference to Silajev, and said that the Soviet Union also intends to become financially involved in putting Ikarus back on its feet. The Soviet Union by all means has an urgent need for Ikarus buses because they are unable to develop bus manufacturing in the Soviet Union at the desired pace.

In the middle of last week, Niefer signed a licensing agreement in the Soviet capital for the construction of a Mercedes assembly plant in Golitsino, near Moscow. After achieving full capacity in 1994, some 2,500 buses will roll off the production line at the Golitsino plant.

Niefer also announced on Sunday that an important step was taken regarding the modernization of the Soviet delivery system.

#### **New Approach to Economic Recovery Advanced**

*91CH0206C Budapest MAGYARORSZAG in Hungarian No 48, 30 Nov 90 p 20*

[Interview with National Assembly Representative, Chairman of the National Association of Entrepreneurs Janos Palotas, by Laszlo Takacs; place and date not given: "The Breakthrough Point; Alternative Suggestions: The Gordian Knot"—first paragraph is MAGYARORSZAG introduction]

[Text] The following problem repeatedly reemerged ever since we began talking about changing the system: How could we find dynamic politicians, guided by a concept of their own people, who enjoy broad societal support? Finding such politicians takes time, and requires situations in which they can be put to test. The public discovered its own man in the first such truly critical situation, in the person of National Assembly Representative Janos Palotas. He is the chairman of the National Association of Entrepreneurs.

#### **Figuratively Speaking: They Spat Upon Him**

[Takacs] Mr. Representative, more or less everyone, except some Hungarian Democratic Forum [MDF] members and sympathizers, recognize the positive role you play. How does it feel to be part of the MDF faction?

[Palotas] Not even for a moment did it ever occur to me that I should be on the opposite side. On the other hand, I recognized the existence of a crisis in society, one that had to be resolved by all means. [The reference is to the taxi strike.] The administration exercised incorrect judgment regarding the solution, therefore I tried to find the proper solution instead of the administration. The next day some 20 people from within the faction congratulated and thanked me for the help I gave. Figuratively speaking, four members of the faction "spat upon me," but this did not bother me at all. Extremists always exist in a large group of people. The great majority properly acknowledged my greetings, and with that they closed off all contact. At the most recent session however, a better relationship than at any time prior to the crisis evolved between us.

My view of the MDF did not change. I like the way they think. I find elements which I dislike also in the way other parties think. I am referring to parties previously in the opposition with the MDF. I do not wish to join any party. I am involved in economics, perhaps this is the reason why I very much want to see a political systems change. I was voted confidence, and until that confidence is withdrawn I will not reject it. I will express gratitude.

[Takacs] Were you aware of Jozsef Antall's views during the crisis? What kind of relationship exists between you and him since the crisis?

[Palotas] I had indirect contact with the prime minister during the negotiations. Not for a moment did he try to pressure me to take a different course of action. Although my decision would not have been different even if his views had been the same as those of the interior minister for instance. Obviously, also I may be wrong, but I am able to act only on the basis of my own assessment of a given situation.

Ever since that time I enjoyed a very serious working relationship with the prime minister. Despite this fact, or perhaps precisely for this reason, we have some disputes concerning the tax laws yet to be enacted. I could interpret our relationship as having received an expressed request from the prime minister to develop alternative proposals.

[Takacs] Little is heard nowadays about liberalizing fuel prices. When should we expect this to happen?

[Palotas] Following an agreement reached with the Interest Reconciliation Council, the cabinet decided to advance the date when fuel prices are fully liberalized. Such action was originally scheduled for early next year. His advisers—experts, organizations involved in this matter, such as the National Crude Oil and Gas Industry Trust [OKGT]—said that all this could be resolved in the course of a single week. They prepared the "appropriate" proposals according to which a few legal provisions would have announced that Shell, and others who presently make their purchases from the OKGT, could make direct purchases beginning on the following day. This would have been the appropriate system in their view. At this point we told the cabinet: "Don't listen to your friend [as published], because this way he [as published] will pocket the profits!" Under the proposed circumstances he would control domestic production costing half the average price, as well as imported Soviet oil, costing one quarter of the average price. Further, he would control gas stations in Hungary, crude oil refineries, as well as the pipeline—the only low cost means of transportation. Other firms appearing in the market would have to pay leasing fees for these to Shell, and irrespective of the origin of the oil received, they will not be competitive with Shell in terms of prices.

#### Extra Profits

Accordingly, the Hungarian monopoly must be deprived of these advantages. All of these properties must be regarded as Hungarian national assets, available for leasing by anyone, under equal conditions. This way, the full amount of the resultant extra profits will flow to the Hungarian state. Three or four laws must be amended in order to accomplish this, certain areas must be brought under state administrative jurisdiction. All of this takes time. A system of uniform conditions must be developed for additional foreign firms which enter the market. We must review the internationally accepted rules. We could

prescribe an obligation to provide supplies (establish reserve storage requirements), and an obligation to invest in the infrastructure of fuel consumption (roads, gas pumps, etc.), because this is a field where extra profits can be made. Yet pursuant to international norms of conduct, these conditions must be announced in advance. We felt that all this could be realized by 1 January, but the cabinet insisted on advancing this deadline, because it felt that the task could be accomplished earlier. The silence that prevails for the time being suggests that developing the needed system is not that simple.

[Takacs] A brief news report indicated that you met with the Soviet ambassador. What were you able to find out regarding oil deliveries?

[Palotas] I paid a visit to the ambassador not long after the crisis because reports presented various reasons for the absence of oil deliveries. The ambassador confirmed my belief that the Hungarian party must not be faulted, even though we frequently made statements which could be misunderstood. He also said that offending another nation, even accidentally, was unfortunate. This was overdramatized, in the opinion of some, and the matter has been rectified by now as a result of the Gorbachev-Antall meeting.

#### Economy Remains Competitive

[Takacs] What is your view of the Hungarian economic situation? Is there a chance for evolution? We should be reducing taxes to stimulate the economy. This, however, would cause at least a temporary disturbance in the state household, and we would be unable to make loan payments as they become due. How would you resolve this conflict?

[Palotas] Who should be expected to take the first step to resolve the problem if this constitutes the Gordian Knot in Hungary? Could we expect the 100,000 member business community to vote confidence in the cabinet? Could we expect these people to say that as of the following day they will write, admit, and do everything firmly, just the way the government thinks this should be done, based on the premise that if they did so, it was their belief that the government would reduce taxes within three months in exchange for the confidence granted to the government by the business community? This will not be the case. Human nature works in different ways. Conversely, the process could be started otherwise. If I had said that I did not know what the solution was, it would have meant that "in this instance I should not be the decisionmaker." On the other hand, the one who agrees to make this decision should be aware of the fact that only he can take the first step to cut the Gordian Knot, irrespective of whether the head of state or a minister makes that decision.

Ninety percent of the taxes paid in Hungary are paid by the state sector. It was proven that from the standpoint of efficiency, the state sector will never be able to catch up with European standards. Incidentally, this sector

finds itself in an adverse situation. Supporting this sector presents no long-term economic advantage because if it receives support, there will be increasingly fewer arguments to support its abolition. "It's improving," they would say. At the same time the state sector would continuously decline in terms of its ability to compete. I would tell this 90 percent majority that I have no confidence in it, and that it does not trust me either. Henceforth, we will continue to settle our accounts the way we did that before. Although this solution is not beneficial from either their, or my point of view, in my present system of revenues and expenditures, this 90 percent constitutes a stable point.

In contrast, there is that efficient and competitive 10-percent sector composed of private enterprises, joint enterprises, etc. I should give these organizations a chance. While applying an 80-percent tax rate to the state sector, I should reduce taxes in the other sector to half that rate. As a result of such action, only 5 percent of all my tax revenues would be lost, but I could say that this small group will double its size within a year, and thus will pay the same amount of taxes as it would have without receiving the initial benefit. Only 5 percent of the budget was at risk if my predictions were wrong. This much risk should be accepted! One should simply prepare a budget which includes provisions not only for ways in which to downscale the state sector, but also for a point of breakthrough like this one.

If someone objects to the idea that the private sector receive a tax benefit, let some other field capable of dynamic development receive those benefits, irrespective of ownership form. Such fields could include foreign trade in the transportation industry, the banking world, medical instrumentation, or even education. A new sector ought to be allowed to gain strength in order to cut the Gordian Knot, and those who become continuously weaker should not carry the same burden. Once the preferred sector gains strength, and once its share in the Hungarian economy increases to multiples of its original share, it should also carry that burden. At that point a smaller group could be exempted from under the burden to allow it to develop even more. This is the way Hungary could have something by which it becomes the definitive factor in this economic region. This process can be started only if each and every future law pertaining to the economy contains general rules, as well as individual, specific provisions which reflect this kind of opportunity for a breakthrough. (For example, certain activities could be exempt from profit taxes, customs duties, and fees.) From here on we should make clear that we know indeed in which direction we want to accomplish a breakthrough. We will not have foundations for an economic policy which provide an opportunity for evolution in addition to the continuous management of poverty, until such time that the struggle between the various sectors of the economy for this favored position begins.

### The One Who Shows the Path

[Takacs] I do not understand you. The international financial world does not stop singing praise for the Hungarian economy, and many envy our position for this reason.

[Palotas] The international financial world is entirely correct in this regard because no other country in this neighborhood managed its financial crisis as professionally as Hungary did during the past 10 years. This is important from the standpoint of the financial world, except that we are the ones who live here, and we would like to see that our economy is also well managed. The World Bank has already obtained a financial management program which ensured that we will remain solvent next year. The World Bank bows to the magnitude of this special achievement. More than this is needed to win the admiration of Hungarian society. Only the one who shows the path which leads to recovery from crisis can ask sacrifices from this society.

### Credit Terms With Sale of State Property

91CH0165A Budapest FIGYELO in Hungarian 15 Nov 90 p 5

[Article by Hungarian National Bank (MNB) President Dr. Gyorgy Suranyi: "Credit Conditions for the Evaluation of State Property"]

[Text] To help privatization, the Bureau of State Property [BSP] may allow the use of special credits for individual ventures of privatization. The conditions for obtaining credit for refinancing in connection with selling state property (in the following, refinancing credit) are specified by the BSP as follows:

1. Refinancing credit is limited exclusively to buying state property under the jurisdiction of the BSP (statute 1990/VII, paragraph 7), regardless of whether the selling of the property is handled by the BSP or by another organization appointed by the BSP. A prerequisite for providing refinancing credit is that the BSP must use sales receipts to decrease the national debt.
2. Credit for privatization (in the following, privatization credit) using refinancing credit is limited (with different interest rates) exclusively to either private individuals, or companies formed by private individuals who, from the aspect of applying the laws governing foreign exchange, are considered Hungarian residents, or to joint ventures of such private individuals which have a majority share of private ownership.
3. Any bank or specialized financial institution (in the following, bank) may grant refinancing credit within the framework of this credit line.
4. Based on the bank's decision, an individual borrower may obtain privatization credit of up to 75 percent of the selling price of the part of property to be bought or, in the

case of buying the latter's bonds (stocks), up to a maximum of 50 percent of their value at the time of first issue.

5. The exclusive use of privatization credit is for purchasing the part of the property, or its bonds (stocks), that is specified in the credit contract. Accordingly, additional capital investment in the newly formed joint venture may not be financed by this credit line.

6. The period for refinancing credit is a maximum of 10 years from the date of signing the contract, including the two year grace period, and in accordance with its maturity as specified in the contract between the bank and the customer. Its interest rate must always be 75 percent of the issuing bank's current basic interest rate. The interest rate of the privatization credit granted to the customer may be one half of a percent higher. Joint ventures of private individuals with a majority share of ownership may obtain privatization credit from financial institutions at the money market's current interest rates. If the debtor sells part of the property, part of the store, or the stock that was purchased with a privatization credit, the latter becomes payable unless the bank allows the new entrepreneur to assume the debt.

7. The refinancing credit contract will be signed by the central bank's [MNB] Main Department of Banking and the entrepreneur's bank.

A special process is prescribed for the regulation of receipts originating from the sale of state property subsidized by the MNB's privatization credit line, and of credit relations and other issues.

8. The banks must keep separate records of both the credits granted under this credit line and the related refinancing credits. Data specified by the MNB must be forwarded to the Main Department of Banking. Records kept at the banks must be compared with the MNB's records of refinancing credits granted under this special credit line. The MNB will subsequently levy punitive interests for the amounts and terms of credits used for other than the original purpose, as determined and published according to, or under the authority of the appropriate statute (at present, it is 1/1987 [VII.28.] MNB div., paragraph 4). In case there is a discrepancy on the monthly balance sheets—disregarding technical reasons—between the refinancing credit and the decrease in national debt resulting from the above structure, the bank of issue will suspend the granting of refinancing credit until the discrepancy disappears.

### **Privatization: MDF Group Disagrees With Cabinet**

91CH0206B Budapest FIGYELO in Hungarian  
22 Nov 90 p 7

[Article by Gabor Slosar: "The Hungarian Democratic Forum (MDF) Economic Policy Committee View: Comments on Privatization"]

[Text] Last summer, the cabinet publicized its theses concerning privatization in a volume entitled "Ownership and Privatization." In the meantime, the cabinet changed its privatization concepts and decided to accelerate the process. The ruling party's committee, having jurisdiction over such matters, continues to disagree with the cabinet position in some respects.

Privatization is a unique, extremely difficult undertaking in Hungarian economic history. A societal consensus is required for privatization to succeed. A future economic structure which rests on the principle of private ownership may turn into the source of tension. This, in turn, may endanger the success of the entire process. For this reason alone, it is important that a broadly based exchange of professional views precede political decisionmaking regarding this issue.

One may fundamentally agree with the principles of, and the order of values related to privatization. Consistent with the cabinet's intent, many professionals support the idea of accelerating the process because a breakthrough in the ownership structure can only be accomplished this way. A general agreement also exists as far as carrying the national public burden is concerned. This means that privatization must be used to liquidate the state's internal indebtedness and that the idea of reprivatization be set aside.

### **Self-Privatization**

No one argues about the parallel application of various privatization methods regarding different enterprises, if we intend to accomplish privatization at an appropriate pace. Yet, the process called self-privatization conjures up some bad memories. It is reminiscent of the controversy over spontaneous privatization. For this very reason, privatization based on enterprise initiatives demands thorough and circumspect preparation, and the most important steps in the technical implementation of such privatization, must be defined accurately by law.

This concept calls for the self-privatization of a few hundred (200-300) enterprises, which should be transformed into stock corporations in a campaign like manner. Several essential concerns may arise regarding this process. One concern centers around the campaign character of the process, and the method of property appraisal, which is closely related to our first concern. But yet another appropriate concern arises with respect to the possibility that some of the enterprises transformed into stock corporations may "get stuck" within the state ownership sector.

Another concern may arise from the fact that some foreign investors may prefer to commit their money into limited liability corporations [Kft] or closed corporations, and would not want to invest in stock corporations, even if the given enterprise, or a given share of state assets, are of interest. In addition, methods by which to distribute state shares (to local government, to social security, and in the form of employee shares) and to sell state shares are yet to be developed.



A dilemma exists concerning the government's agreement to suffer losses as a result of more rapid changes in ownership which could be achieved through self-privatization, versus a situation in which the government opts for a slower, more protracted privatization process along with higher "selling prices." The first solution may be more appropriate.

Another key issue which attends the privatization process pertains to the privatization of commercial banks which finance an overwhelming part of the economy, and to the privatization of specialized financial institutions and the state's share which are part of the basic capital of these financial institutions. Foreign institutions, investors, and banks manifest an interest in becoming partners in Hungarian financial institutions, yet they were thus far firmly barred from becoming partners. This restriction will be in force until the end of this year. Accordingly, it has become an unavoidable necessity for the cabinet to take a firm position regarding the privatization of financial institutions.

In our view, it is unnecessary to either prohibit or to support foreign capital investment in large commercial banks. Drawing in foreign banks to a limited extent, up to twenty or thirty percent of the basic capital, will provide advantages.

These banks may contribute significantly to the development of the banking profession by transferring experience, techniques, and processes. At the same time they could also facilitate the entry of Hungarian banks to the international financial world. The acquisition of a limited share would enable large banks to continue to decisively operate under Hungarian ownership, and to pursue their activities under appropriate regulatory guidelines consistent with Hungarian interests.

Fear of unwarranted advantages to be acquired by foreigners, and of the withdrawal of disproportionate profits, could be allayed by the state using its own methods to support the evolution of competition in the banking sector. One way to accomplish this is to establish new banks. The government could appropriately support endeavors to primarily increase the number of investment banks, as well as of funds, companies pension funds, etc., engaged in special financing activities.

An important criterion for the success of the privatization process would be to define the financial resources supportive of privatization. Such definition should be provided in more specific terms than it is today. Similarly, the need to provide greater support for investment activities serves as another criterion. Since the cabinet is counting mostly on domestic resources, and since the cabinet intends to achieve the evolution of a Hungarian middle class in the course of privatization, the appropriate stimulation of private investment constitutes a key condition for successful privatization.

In order to accomplish this, provisions ought to be made to permit larger than the present deductions from personal income taxes after investments. Other ways to

provide stimulus would be the application of different tax rates for investment income on the one hand, and interest income earned on risk free bank deposits on the other.

### The Banking Sector

State sponsored studies estimate the value of state property subject to privatization at 2,500 billion forints. This amount is probably based on book value, which in turn is based on the present system of accounting, which has a blunting effect, and is tax oriented. Starting out from the actual property value would be more realistic. This approach would also take into consideration land property, the intangible assets of enterprises, and real property which represents fractional values. Quite obviously, an appraisal must be based on some kind of estimate, nevertheless, in our view, the assets appraised on the basis of financial balances would be at least double the amount of the book value of the same assets. Accordingly, based on a realistic appraisal, a much larger mass of property than what the cabinet is counting on should be privatized. Privatization strategy and tactics should be adjusted somewhat, consistent with the greater value.

In part, the cabinet program enumerates property to be transferred to autonomous county government ownership. The listing itself is not fortunate. One cannot understand why, for instance, service institutions (burial, public sanitation), real property managed by county councils, and the movable property and cash on hand which is held by county councils, should be transferred to the hands of county autonomous governing bodies.

Property shares to be transferred to the ownership of autonomous governing bodies constitute a significant part of national assets. Yet, the study fails to assign sufficient weight to this issue. It invokes the local government law at a time when provisions of the local government law concerning business management vary greatly.

Public utilities (water, gas, sewage, electrical energy) for example, should obviously constitute local government property, partly because these were owned previously by local governments, and partly, because if these institutions operate in the form of stock corporations, they may be rendered suitable to attract developmental resources from individuals in a manner similar to the practice followed earlier (public works associations).

The subject area of employee stock ownership has not been developed. A broad application of this system would serve political purposes more than it would boost the economy. Employee stock ownership does not amount to the attraction of supplemental, or private capital, and it contradicts the justified effort to sell state property at the best possible price.

These concerns must not be construed as a need to fully reject the idea of employee stock ownership.

**Resources**

As long as we are dealing with the transfer of property without compensation, one cannot fail to mention that the accurate definitions of what constitutes local government property, and of state property to be transferred to social security have yet to be provided. Secure operations of these societal institutions necessitate foundations based on ownership.

Even if the privatization process were to be accelerated, a larger part of the gross domestic product will be produced by state enterprises for a few more years to come. For this reason, the direction of state enterprises by professionally well-prepared, competitive managers is of extreme importance. In the absence of secure state enterprise operations and of increased efficiency expected by everyone, even the most beautiful dreams about privatization will fall apart, because the economy's ability to operate will have been shaken.

## BULGARIA

### Education Minister Discusses Reforms

91BA0108A Sofia DUMA in Bulgarian 16 Oct 90 pp 1-2

[Interview with Matey Mateev, minister of public education, by Ekaterina Genova; place and date not given: "The School in the Period of Crisis"]

[Text] [Genova] Only a single page in the government's new program deals with education. Yet you are asking that priority be assigned to this set of problems.

[Mateev] Clearly, the essence of Lukanov's program is the conversion to a new economic system. It is a question of restructuring the economy, privatization, monetary reform, and so forth. However, in any such economic reform, the main role is played by people with their skills and abilities. If you were to look at the American supplement to the reform, submitted by Mr. Ran, you will note that education is one of the strategic elements. I believe that its accurate place has been found in our program. The government is fully aware of the significance of education.

[Genova] What are the most urgent measures the schools may expect?

[Mateev] Under the conditions of the crisis, the educational system must be protected from difficulties as much as possible. This is no easy task. However, the government guarantees the protection of health care and education. It is a question of the financial support of such sectors and of preserving the conditions that have existed so far for their development. At present, we are not anticipating any freezing of school construction. This is a bold decision, considering that a high percentage of state construction will be halted. Nor should we be excessively optimistic, however, and believe that someone will be able to eliminate the daily worries of municipalities caused by the schools. We are drafting a resolution that would provide new economic freedoms for some schools. Thus, every principal should have at his disposal budget funds and solve financial problems more flexibly.

[Genova] Will the present financial monopoly of the municipalities over education funds be eliminated?

[Mateev] I disagree with the widespread view that the municipalities are plundering the schools. On the contrary, usually they provide the schools much more money than is stipulated. With a future free economy, when the economic functions of the municipalities will be abolished, their efforts could be concentrated on education, health care, and social welfare. Thus, a market economy will enable the local state structures to deal with truly socially significant projects.

[Genova] Is it your ambition to be recorded in the history of secondary education as the author of some changes?

[Mateev] No one would like to be remembered in history with a bad name. The highest program of our government is to be remembered for its good and accurate decisions. Before dealing with history, we must have a normal school year. Preparations for such a school year were already made by introducing an updated content in the social subjects. There still are subjects in which we find vestiges of the recently supported ideology. The rough cleaning of their content has already been accomplished. However, long and serious work in this area remains to be done.

Starting next spring, we must convert entirely to the competitive system of appointing new principals and teachers. As of now, the ministry is engaged in rewriting those textbooks that we were unable to prepare for this school year and in the creation of new textbooks. We must determine which schools will use new forms of training and how to expand the teaching of foreign languages, particularly in the big cities. We would like to open in Sofia at least two more English-language high schools and one school each where the teaching will be conducted in French, German, or Italian. We are having difficulties in recruiting teachers for all languages. We cannot prevail in the financial competition of private companies, which are paying rather high salaries.

This very year we shall sponsor a national debate on the content, structure, and future of the Bulgarian schools. This will be accompanied by a scientific conference on the same problems. The purpose is, before the schools start work in accordance with the new Law on Public Education, to have earned the trust of society and to attain a consensus concerning its basic principles. Some of them are already clear: The school must be humane and democratic, aimed at the individual possibilities of the students but also consistent with the conditions of a market economy.

[Genova] You probably realize that the changes should remain valid for a number of years. Is that why you insist for the curriculum to be approved by the Grand National Assembly?

[Mateev] This will mean that they will become the law. We are asking the Grand National Assembly to consider and approve the standard curriculum for Bulgarian schools. It is thus that we shall regulate the educational minimum every student must reach. This minimum requires a social consensus. It could be used as a base for the development of various types of training and types of schools.

[Genova] There has been talk about a new law on public education as of 10 November. How far has this gone?

[Mateev] Four drafts of a new law have been submitted and are being discussed by the parliamentary commission on education. An expert evaluation is being made of these drafts as well as a study of educational alternatives.

[Genova] When the new school year started, most of the questions asked by parents dealt with the first and last

grades in school. The reason for the first was disagreement with starting school at age six. In the case of the last, the reason was the great deal of leisure time included in the curriculums following the closing down of the UPK (Vocational-Training Complexes).

[Mateev] This year the first-grade program has been significantly lightened, and I think that the parents will soon feel the change. This year's practical experience will convince them that it is not terrible for a child to start school at age six. I believe that sufficient work was done to make the program consistent with the age of first graders.

The last grade creates a variety of problems in big and small towns. In the case of students who are undergoing general educational training in the 11th grade, it is true that at the beginning a certain vacuum developed. For this year we have tried to fill it with useful and necessary class hours on optional subjects. However, I cannot say that everything has already been accomplished. In the case of other students who chose vocational training (in the smaller cities and the provinces this applies to nearly 100 percent of the students), we are using the experience and material facilities developed by the UPK.

[Genova] How are your relations with the trade unions after this year's problems caused by teacher unemployment?

[Mateev] Every week the leadership of the ministry meets with different teachers unions. We are discussing the possibility of creating between us a coordination council that will pass on all documents issued by the ministry. It is clear that such a council would also have its say in settling all labor problems and disputes concerning teachers.

## HUNGARY

### Conflict Between Jews, Non-Jews Discussed

91CH0200A Budapest HITEL in Hungarian No 23,  
14 Nov 90 pp 19-21

[Article by Gyorgy V. Domokos: "Where Are You?"]

[Text] Some time ago, when NEPSZABADSAG published my article "Minorities and Tyranny," I really believed that a number of issues could be clarified, and that an agreement could be reached at last, if others, more prepared than I, conduct a debate. But even at this time, several people cautioned me not to speak out, claiming that others, more familiar with this issue will tell their stories and resolve the issue.

Where are those others?

Despite my aversion to this matter, I have no alternative but to speak out. I must speak out, as long as a hundred so-called intellectuals fail to ask a single question, yet take the liberty, and do not hesitate to turn their backs to a man of Sandor Csoori's stature. I must do so, as long as

the analysts turn their backs to thought which seeks understanding. I must do so, as long as the fact that they turned their backs to this issue does not result in an approach between views, an understanding, but to the contrary, directly serves to further poison the controversy.

I will try to be brief.

Csoori proclaimed: The signs of "reverse assimilation" appear today, "the liberal Jewry wants to assimilate the Hungarian people in terms of both style and thought."

Let us try to clarify right now what may have, and what continues to cause the vehement rejection of this statement. The following possibilities exist:

(a) An objection to the form in which this statement was made, and the closely related objection to the content of the statement, i.e., that Jews are not part of the Hungarian nation, and that therefore they are excluded.

As long as Csoori's entire life does not attest to the fact that exclusivity, and the exclusion of "Jews" from the collective concept of "Hungarians" does not necessarily follow from his statement, let me shake the self-assuredness of those 100 committed persons by making an ordinary statement:

"In this place oak dominates the forest."

I must ask: Would it be possible to claim that it follows from this statement that oak is not part of the forest? That oak trees are not trees?

(b) The objection to the contents, as Peter Hanak stated in NEPSZABADSAG:

"...a unified Jewry....which forms, or formed in the past, an overt or secret alliance does not exist." "...why would, and how could those few thousand liberal Jews assimilate 9 million Hungarians?"

Let us take a look at the first question. As far as the Jewry is concerned, is there any kind of characteristic cohesive force which could provide a characteristic bias in a given situation to the conduct of Jews? I am convinced that there exists many such cohesive forces.

The most widespread and most general cohesive force is essentially none other than a defensive and rejecting reaction to any perceived or real attack. A specific example pertains to the so-called Jeszenszky case. One of my friends with whom I exercise, is a young Jew. I have high regard for him. He and I usually discuss fortunes and misfortunes in political life. On the evening of Geza Jeszenszky's ominous remarks, I noticed at once that my Jewish friend was shaking, frightened, and passionate—a reaction triggered usually by the forceful representation of populist-nationalist thoughts. True, I did not discover the same forceful reaction on the part of all my Jewish acquaintances and friends, but most certainly, their reactions were uniform.



Are there other types of cohesive forces in action?

In my experience, their political and cultural orientation and commitment is characteristic. Even though this applies to a smaller group of Jews, it does so on a broad enough scale to permit one to draw appropriate conclusions. Peter Hanak had this to say:

"Let us set aside for the moment the otherwise not unfair question: Would it really amount to such a terrible national catastrophe if the truly liberal Hungarian Jewish intelligentsia, which thinks in European terms and exerts a stronger influence on the antiliberal and anti-Western Hungarian intelligentsia, had a different outlook?"

But let us set aside this question, and let us make clear once and for all that we cannot give a true answer to this question. Therefore it is appropriate to act the way the majority of the people choose to act. If that happens, we may eliminate a possible national catastrophe, such as the case with the forced adoption of communism. I have no doubt about Hanak's good intentions as far as Hungary is concerned, but I would ask him to leave room for some doubt regarding his truth.

But Hanak is only one person, he alone does not provide sufficient proof. There also exists in Hungary a vocal organization, which is not a political party and seemingly does not commit itself to any side, yet nevertheless permits itself to make the following statement:

"...there will be no public safety as long as literate persons are unable to control their extremist views. The trouble with ultranationalist and old conservative views is not that they were transcended scientifically, but rather such views scatter the rules of civilized coexistence, and dissolve universal standards."

The Openness Club—yes, the very organization which oversaw the event when the word "Hungarian" was accounted for in Hungarian television—publicly states (e.g., in NEPSZABADSAG) that extreme ideals find fertile soil only in the framework of nationalism and conservatism, and that in Hungary, there simply is no threat of extreme radicalism, or the dangers of extreme liberalism. These ideals cannot even arise in Hungary, we were told. Incidentally, this statement contradicts history, and the logic of historical experience, but this is not of the essence. Of essence is the characteristic one-sidedness, the uniformity of thought, the existence of cohesion. In this regard, however, I intentionally omitted to mention a missing link in the chain. What does the Openness Club have to do with the Jewry? Would it be permissible to know the extent to which its leaders and members are of Jewish origin? Would this not in itself constitute racism or anti-Semitism?

Let us make it clear that such distinction of anyone that ever kept records of who was and who was not Jewish would not amount to sheer racism. But disputing the right to make distinctions amounts to mere pretense as long as Jews themselves make such distinctions, even if

only by calling themselves verbally expressive [as published] as compared to others.

Do Jews keep records of each other as to their origins?

Here the circle we drew becomes more tight, because I once again find that not all of my Jewish acquaintances pay attention to this matter.

There is no doubt that this issue is seriously weighed by the press and in other cultural circles. Quite naturally, this is not done in the plain view of the public. Permit me to provide two pieces of evidence.

A few years ago, Pal E. Feher personally invited a journalist from the countryside to work for NEPSZABADSAG. This journalist was rapidly ascending in fame, his name was becoming known, and he was touched by the invitation. He had a friendly reception, they patted his shoulder, and even toasted him. Thereafter, Feher told him, "By the way, here you have a typewriter, would you write a resume, just for the sake of formality." Feher stood behind the journalist as he wrote the resume. Suddenly Feher had this to say: "You're not Jewish?!" "No, I'm not," the journalist replied. "It doesn't matter, that's not why I asked."

It did not matter, but the journalist was not given the job.

The other piece of evidence came from a MAGYAR HIRLAP journalist, but I also regard the obvious change in MAGYAR HIRLAP as indirect evidence. When Maxwell took over that newspaper he checked the "religion" of the employees. Those who professed themselves to be Jewish were in the minority. "The situation should be in the reverse," Maxwell said. One may see for himself how many people left that newspaper after that, and who those people were.

These are grave findings, I know, yet I request everyone not to regard these as accusations. Far be it from me to accuse anyone! My only purpose is to objectively clarify matters, because I firmly believe that this is the only way, and the only opportunity, to reduce the controversy and to avoid hostilities at a larger scale!

Silent humanism, or for that matter humanism in general, which vocally demands silence, is of no use unless it treats the roots in hopes of avoiding pain.

But similarly, the pretense of the sorts manifested by Hanak or by Tamas Barabas is of no use either. They try to prove that Jews are pulling apart in a hundred directions, and negate all kinds of togetherness and coherence by the Jews.

We could mention the pretense of Akos Mester. While smiling, he tries to make television viewers believe that the press does nothing more than convey and reflect the thoughts and views of the people. Let me once again present an example that is close to us, to show the extent to which the opposite of this is true.

Consistent with her age, my 16-year-old daughter rarely deals with politics, let alone with foreign policy. The other day she suddenly announced: "Not much happened in foreign policy since Horn." Did the press adopt this statement from my daughter, from the people, or did it succeed in effectively spreading and disseminating the manipulative view of a tight-knit political group so that even my apolitical daughter received some of it?

Seemingly we are missing once again a link in the chain. What does the Jewry have to do with the press? I mentioned two examples already. One cannot keep silent about, or deny discrimination against non-Jews, even though such discrimination does not necessarily manifest itself as a general phenomenon. But if this is not sufficiently convincing, let me quote Miklos Szabo from the Alliance of Free Democrats [SZDSZ]:

"The proportion of intellectuals of Jewish origin in the press indeed exceeds the ratio of Hungarians(!) of Jewish origin within the population. Let us set aside capitulating explanations, and let us not try to prove that this ratio is 'not so pronounced.'"

Accordingly, all this goes to show that it does not take malice, a base character, or irresponsibility for someone to believe that reverse assimilation is going on. This could be someone's honest, decent belief. Moreover, this may be the view of several persons. Persons who believe that indeed no freedom exists, or is developing here, if they are shut up. Different styles, different thoughts try to prevail over such people one way or another, as a result of constraint, messianic good intentions, or by way of manipulation, and sometimes with the help of money.

But what could be done? My entire reasoning would be of no use and would not make sense unless I stubbornly believed that something could be done! If after the passage of barely a few years, America the great is capable of cooperating with the Soviet Union, the former evil. Could not this apparently much smaller controversy be bridged and resolved through mutual understanding?

First and foremost, the majority which adheres to the ideology which we call—for the sake of simplicity—"populist-nationalist," should come to understand that too frequent, or even superfluous voicing of its ideals may be physically repulsive, and may evoke fear and aggression on part of the Jewish minority.

The followers of this ideology must also understand that behind the liberalism of Jews, professed on occasion with messianic zeal, there truly exist good intentions and a belief that Hungary, their homeland, would be better off if their ideals prevailed.

On the other hand, Jews advocating radical liberalism must recognize and understand that partly as a result of the effects they exert, and partly due to other effects, the ideal they represent is in the minority, as was proven by the elections! This, despite the fact that their ideal has

taken hold in the members of far broader strata [than just the radical liberal Jews].

Claims to the effect that democracy and freedom of speech exist, and that therefore the government, the coalition, maybe, has to be attacked or loathed at any time constitutes a weak argument. This is so because the present government is not the government of a wealthy, stable Western democracy, but of an infinitely weak, unstable economy. It is the government that a majority of the voters preferred. It may be caused to fail, but no one will express gratitude for that.

Well, this majority, a majority of the voters, is unable to make peace with a majority with which the press sympathizes, and which continues to present distortions and falsifications beyond the criticism expressed by the opposition. At the same time, this same press courageously refuses to publish even statements made by ministers.

This majority is unable to make peace with a minority, whose representatives are deeply offended and frequently leave the parliament chamber. While conversely, they manifest immaturity, and naively wonder about the outrage, like the one that accompanied Tolgyessy's shrill campaign speech presented under the pretext of an interpellation.

No, anyone with a sense of justice will be unable to digest this one-sided approach.

But even a sober mind will have difficulty understanding why the Association of Young Democrats [FIDESZ], which held its national rally under the foreign language banner "LISTEN TO YOUR HEART" [as published], walked out in response to the Jeszenszky speech.

Here again we find a missing link in the chain. What do the FIDESZ and the SZDSZ have to do with the Jewry? I believe that the understanding of this matter is of decisive importance. Understanding the fact that although based on personal relations, a relationship with Jews, with the Jewry, exists, and that although this fact may serve more or less as a reinforcement, a support for these parties and party cohesions means that liberalism has exceeded, and continues to exceed the circle formed by these two parties. It is important for us to be aware of this fact, because even if we must be aware of the role played by the Jewry (by a certain part of the Jewry) in order to understand and to be able to foresee the evolution of the political situation, it is certain that liberalism also would, and will gain strength independently of the Jewry. In the eyes of a significant part of today's youth, things that are from the West—alien matters—things that are free without limitations, constitute modern things and matters to be emulated. They are less interested in roots and traditions. This is so because they do not know the meaning of rootlessness. They have no understanding of how it feels to be rootless, to have no real community, and they do not understand the meaning of a lack of identity.

What can be done about this situation?

After achieving a mutual understanding we should decide whether we indeed want freedom of speech. If the answer is in the affirmative, representatives of the Jewry involved in this matter, and beyond them, other representatives of the liberal side, should continue with their discourse the way they want to continue, the way they have done thus far. On the other hand, the same should be permitted for the other side, and at that point, Jews should not scream about anti-Semitism, or about being excluded, and they should not initiate some kind of protest movement whenever the other party merely expresses its opinion. The situation would be different, of course, if the other party embarked on open incitement. But regardless of how much I am trying to recall such incidents emanating from outstanding people held in public respect, or from any of the parties in the recent past, in the course of our latest history, I cannot remember a single person or party which has done so.

Let them take the legal route if they still feel that there have been, and there will be such incidents! We have a democracy and a constitutional state, there is no reason to assume that the courts will not proceed in an appropriate manner. Suppose that Csoori and Csurka and some other personalities we could list were all anti-Semitic instigators. Let them answer for their deeds before the law! Liberals that are so sensitive about laws and legality should not prejudice persons!

Mutual silence, mutual self-restraint, and tolerance would be the alternative to mutually observed freedom of speech, at least until the country once again regains its strength, and until the economy finally stabilizes itself.

What we have now will remain unchanged if neither of these solutions is able to evolve. On some occasions the minority feels existentially threatened, and in its threatened state of mind, it does things that do not benefit the country, and which do not improve this country's reputation.

At the same time, the majority becomes frightened on occasion because it will not be able to avoid a total collapse, and because the all-penetrating voice [crowing] of the noisy minority poisons even the minute faith and optimism that is left, and eradicates faith and optimism from the minds of those willing to act.

Do we really need this kind of thing?

### Head of Rabbinical Institute on Progress Made

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[Interview with Dr. Jozsef Schweitzer, director of the National Rabbinical Institute, by F.R.; place and date not given: "We Will No Longer Silently Tolerate Humiliation, Suspicious Allegations!"—first paragraph is REFORM introduction]

[Text] Religious life that had been under quarantine for more than 40 years was liberated and started anew. I paid a visit to the head of an institution which, by coincidence, was not forced to shut down operations it has conducted ever since 1877: the National Rabbinical Institute. Dr. Jozsef Schweitzer, a titular university professor, is the director of this institution.

[F.R.] Professor, where do you go from here in today's not too easy life?

[Schweitzer] My goal is to link education and scientific research with religious life. This is made possible in part by the Soros Foundation, and in part by the Ministry of Culture.

The National Representation of Hungarian Jews [MIOK] will publish its yearbook shortly. It will compensate for many writings and studies that have been missed thus far. With help provided by Professor Geza Komoroczy, the Judaic Department of the Hungarian Academy of Sciences [MTA] played a serious role in this. In the near future, we will have translated some Jewish works thus far unknown in Hungary. We have a newly established teacher training institution, and we are providing educational material to university students studying Hebrew sciences and to other interested persons. These will greatly enhance their knowledge.

As head of the rabbinical school, I made 15 presentations during the past two years in places ranging from New York to Tel Aviv and "all the way" to Debrecen. Soon I will make a presentation exclusively to Catholic priests in Debrecen.

[F.R.] How many students are enrolled at present in the Budapest rabbinical school?

[Schweitzer] We do not have many students from Hungary, but I must note here that since 1945, as the sole East-Central European institution, we educated many rabbis to serve Jewish communities in neighboring countries. Our big difficulty is that religious careers are not really attractive. Ever since the Holocaust we became accustomed to not following religious life. Nevertheless religious life exists, but understandably, people are cautious about participating in religious services provided in churches [as published]. We trust that this situation will change with the passage of time. I should tell you that following our Friday evening services, we regularly meet in our assembly hall. Foreign scholars from Israel, the United States, and from several communities in Europe make substantive presentations. Accordingly, we are remembered, and they are paying a visit whenever an occasion arises.

[F.R.] You are performing rather serious work in the field of religious policy and ethics, nevertheless, on occasion, Jews are touched by some out-of-place manifestations these days, but such manifestations also affect our evolving democracy....

[Schweitzer] I would not have believed that as a result of bias and distorted views, intellectuals would hold to account the entire Jewry for the past or present deeds of

persons or groups they did not like. What would be the case if we were to judge the Hungarian people by identifying our compatriots based solely on Imredy or perhaps Szalasi? We have never done such a thing, and are not doing such things. We always professed the principle of individual responsibility. Unfortunately, however, we have become used to collective accountability, and to summary judgments. But at this time, we will take actions against such phenomena. We will no longer silently tolerate humiliation and suspicious allegations. It is the common goal of all of us to uplift this country, our country, from its difficult economic situation. We should write and talk about the fact that shortly, a pensioner will be unable to buy a piece of cheese for his dinner. In other words, these gentlemen and intellectuals would have substantially more important things to write about than these artificially raised issues.

In my view, this kind of approach to the "Jewish question" is extremely humiliating and offensive. It hurts me as a person who works in the field of Hungarian culture, and also as a Jew. Could it be that these 80,000 Jews cause a problem of such magnitude that it is no longer possible to work in this country? Could it be that we stole the "silver spoon"? Is it not possible to coexist with us? This is a terrible situation, and it is the moral, not the practical part of the situation which is intolerable. For myself, I live here with a great sense of being offended. It is my job to strengthen my students and my congregation, even in this situation. This is why I regard the university appointment as a titular professor as a great honor. By way of my person, this appointment is also addressed to the rabbinical institute and to the Jewry of Hungary. I hope that sober policies and sober people will reject voices which render that so important calm and peaceful dialogue impossible.



**END OF**

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